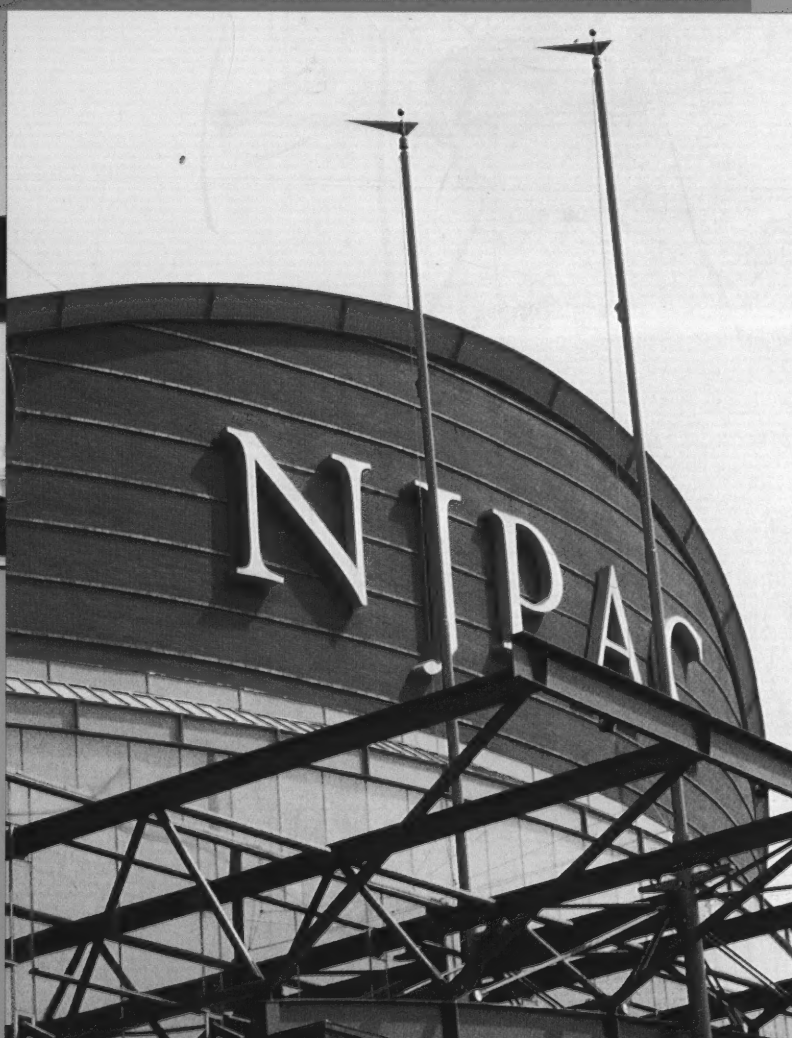




Newark



2001



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2001 Comprehensive Economic Development Strategy

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June 2001

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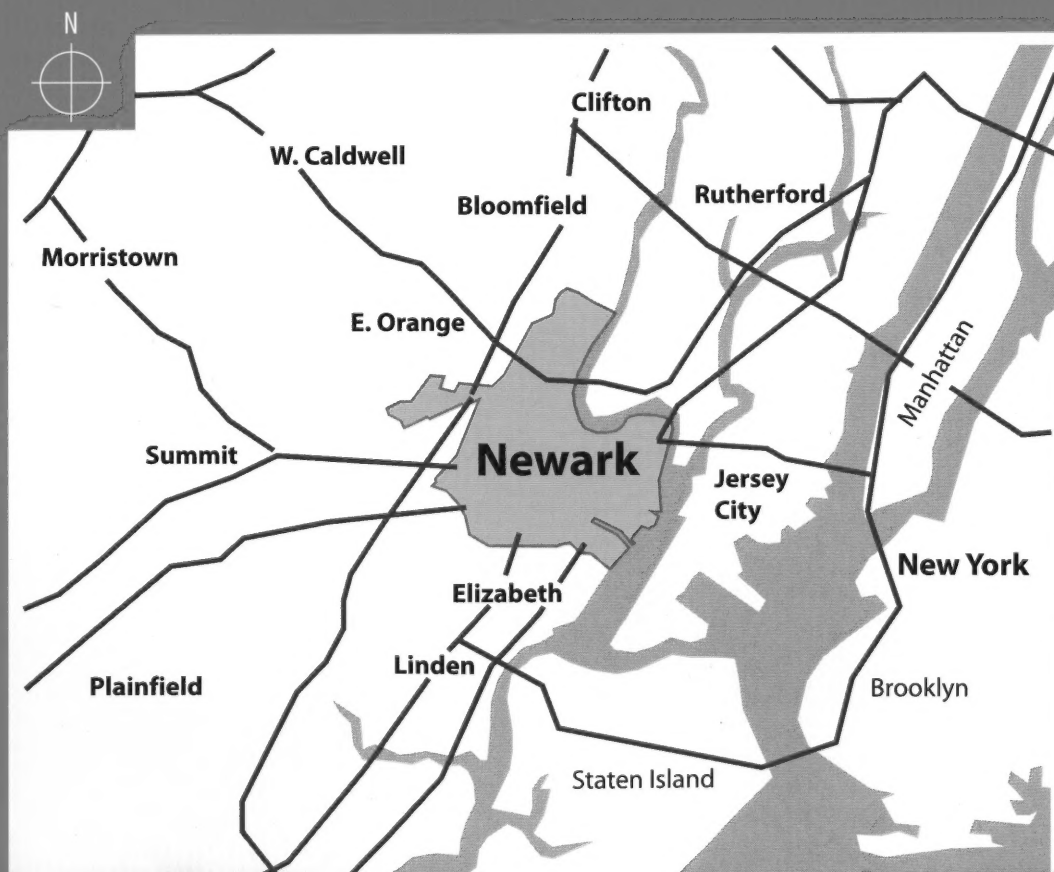
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Introduction

Newark, New Jersey, the Essex County seat and the largest city in the State in both population, size and economic activity, is located in the heart of the New York/Northern New Jersey Metropolitan Area (Map 1). Newark is bordered by the municipalities of Bloomfield, Belleville, East Orange, Irvington, Maplewood, and South Orange in Essex County; by Elizabeth and Hillside in Union County; and by East Newark, Harrison, Jersey City and Kearny in Hudson County.

Map 1/Newark in the Region



Newark's economic destiny has been shaped first and foremost by its strategic location on the Atlantic coast and by its transportation networks that provide accessibility to the rest of the region, the nation, and the world. Its economic destiny has, however, also been molded by the diversity of its labor force, its ability to adapt to a changing environment and to meet the needs of a changing world, and the will of its residents and its political and business leaders to squarely address these challenges.

Newark is now at a crucial crossroad. Its location, accessibility and transportation infrastructure give it a strategic advantage for economic development, but a number of constraints must be overcome if the City is to reach its full economic potential. These include undesirable levels of educational attainment, unemployment and underemployment among many of its most vulnerable residents. Further, although central business district (CBD) revitalization efforts have resulted in the retention and creation of jobs, more neighborhood stabilization and small business development are needed to bring Newark's economic recovery to all parts of the City and to all residents.



It is the objective of the Newark Comprehensive Economic Development Strategy (CEDS) to describe existing conditions in Newark and to formulate strategies and identify projects that will help to overcome constraints to the City's on-going economic revitalization. CEDS 2001 was prepared by the Newark Economic Development Corporation under contract with the Newark Department of Economic and Housing Development's Division of Economic Development and consultants working as staff to the CEDS Committee.

The Newark CEDS is presented in two parts: Part I provides a summary of current conditions in Newark—its neighborhoods, economy, people, transportation facilities and environment. Part II sets forth the objectives, strategies and projects that are intended to move Newark further along its road to self-sustaining economic growth.

From the Mayor

Dear Reader,

I am pleased to present Newark's Comprehensive Economic Development Strategy for 2001 (CEDS 2001). It builds upon its predecessor volumes, the Overall Economic Development Program document published in 1997 and the Comprehensive Economic Development Strategy (CEDS) document published in 1999. Economic development priority projects presented in both documents have made substantial progress or reached completion. CEDS 2001 captures the broad scope of the progress Newark is making and our economic development aspirations for the future. It highlights our economic history, describes our neighborhoods and sets forth our collective vision and the challenges we face in realizing a more vibrant and resurgent City of Newark over the next ten years.

Since the mid-1990's, Newark has shown signs of a broad-based economic renaissance in downtown as well as in some of its neighborhoods. Many companies are rediscovering Newark, with its superb transportation network and its location in the heart of the New York/Northern New Jersey Metropolitan Area. Projects, like the IDT relocation and the new MBNA call center, have come to fruition largely due to a renewal of confidence by the business community in Newark as a promising and welcoming location.

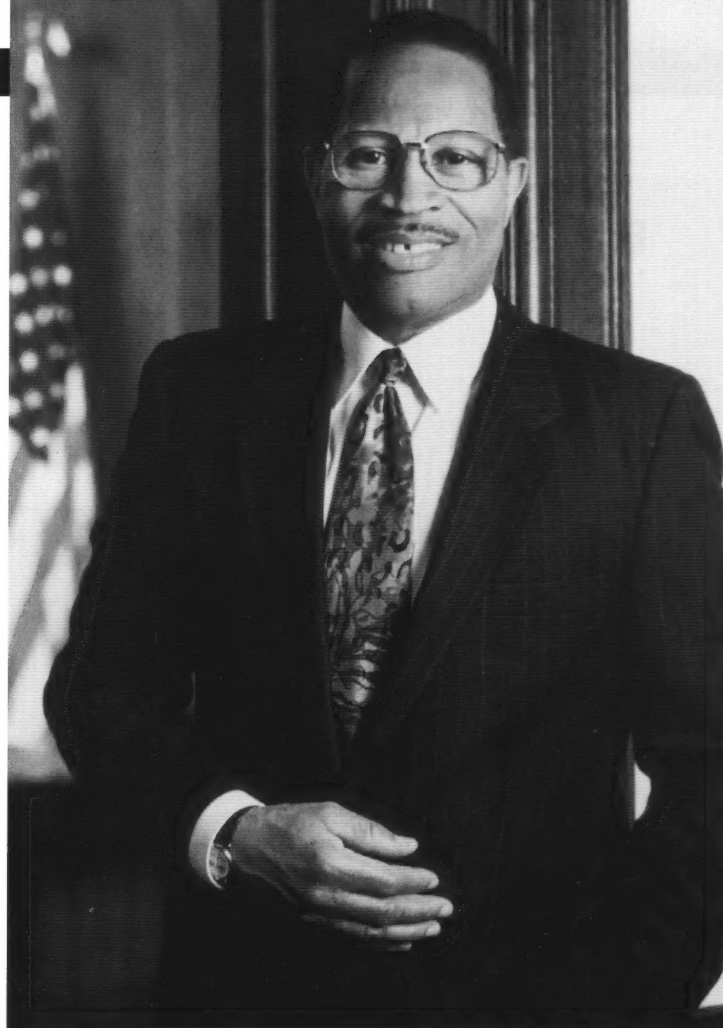
After forty years of decline, our population base is stabilizing, primarily due to the recent construction and rehabilitation of more than 2,000 housing units. Newark remains the largest center of economic activity in New Jersey, with more than 1.5 times as many jobs as Jersey City, the second largest urban economy in the State. As the New Jersey State Development Plan guides new investment toward urban centers, Newark is ready to attract new businesses and residents seeking an urban lifestyle.

The New Jersey Performing Arts Center (NJPAC) and the Newark Bears Stadium are bringing thousands of people into downtown Newark after business hours and on weekends. New restaurants are springing up to provide amenities to visitors and guests as well as to employers, employees and residents of our great City. Other initiatives, such as the restoration of the Passaic Riverfront, a billion dollar school construction program, a major sports and exhibition arena and the construction of thousands more housing units, will provide additional stimulus to Newark's economic recovery and jobs for our residents. So, too, will the systematic renewal and expansion of our transportation infrastructure to complete the Newark-Elizabeth Rail Link and construct a new Airport Railroad Station. The restoration of brownfield sites to re-use as well as the construction of new neighborhood shopping centers and other projects identified in the body of this report will also help to catalyze Newark's revitalization.

I am confident that when all of these projects and others in the planning stages are completed, Newark's still high unemployment rate will decrease, and more of our residents will see their incomes increase. But I also know that we have a long way to go before the City realizes its full economic potential. For this to happen, we need to improve the skill levels of all our residents and we have to bring more residents and jobs into the City, not only to the downtown area, but to all of our neighborhoods. CEDS 2001 is a plan of action to guide private and public decisions and investments to consciously pursue and achieve the objectives, strategies and priority projects identified in this document.

I would like to extend my personal gratitude to those who made CEDS 2001 a reality. My thanks go to the scores of focus group members from major sectors of Newark's remarkably diverse economy who volunteered their time, their insights and recommendations. I would also like to thank the Newark Economic Development Corporation (NEDC) for its major role in preparing the CEDS, with special gratitude to Alfred L. Faiella, Executive Director, Joel Freiser, Deputy Executive Director, and Sharon Tepper, Project Development Officer, who spearheaded NEDC's and the City of Newark's efforts in putting together CEDS 2001. My appreciation also goes to the many people who read drafts of CEDS 2001 and provided their recommendations and comments. Last, but not least, I wish to acknowledge our CEDS consultants, Dr. Marilyn Rubin of Urbanomics, and a Professor at John Jay College of the City University of New York, for her special expertise in the preparation of the CEDS and Dr. Nancy Mantell of Urbanomics, and a Professor at Rutgers University, for assembling the data used in the document.

Sharpe James, Mayor
City of Newark
May 2001



Executive Summary

Newark is experiencing an economic renaissance that began in the early to mid-1990s after decades of job losses and disinvestment in the City's public and private sector infrastructure. The opening of the New Jersey Performing Arts Center in 1997 and the relocation to Newark by companies in a broad array of industries has catalyzed the revitalization of the CBD and several other areas of the City. The demolition of dilapidated high-rise structures by the Newark Housing Authority and the construction of thousands of housing units by community-based organizations and the City Administration has been a vital component in the stabilization of Newark's population following forty years of decline. However, some neighborhoods have not yet experienced a turn-around and many residents are still unemployed or underemployed. The Newark 2001 CEDS sets forth strategies and projects to assist the City's efforts to extend the economic recovery to all neighborhoods and all citizens.



Newark's economic destiny has historically been driven by its strategic location on the eastern seaboard of the United States and by its transportation networks that provided the infrastructure within which the City's economy and population grew and prospered through the 18th and 19th centuries and into the first half of the 20th century.

In the four decades following World War II, Newark, along with many other older central cities, experienced extensive population and job losses. However, since the early part of the 1990's, Newark has been undergoing an economic renaissance as evidenced by substantial new investment in its downtown area and in many of its neighborhoods. But, Newark has a way to go before it attains its full economic potential. The City's still high unemployment rate must be brought down so that all residents participate in Newark's renaissance. Revitalization efforts underway in the CBD and other neighborhoods must continue and extend into all parts of the City.



Part I of the Newark 2001 CEDS describes current conditions in the City: its neighborhoods, economy, population, transportation facilities and environment. Part II sets forth the objectives, strategies, and projects directed at the City's continuing economic development efforts.

NEWARK'S ECONOMIC RENAISSANCE

As the year 2001 begins, Newark shows evidence of a continuing economic renaissance that began in the mid-1990's after decades of job loss and disinvestment in the City. Newark's private sector job base is growing and new private and public sector investment is evident in many areas of the City. Economic growth and investment are being driven by four critical factors: (1) a broadening public/private sector vision of a revitalized City, (2) Newark's global, national and regional transportation accessibility, (3) the City's strategic regional location, and (4) affordability of office space and other business inputs as well as housing.

Transportation and communications infrastructures are expanding and improving. For example, Newark International Airport, partnering with Continental Airlines, is in the midst of a \$1 billion passenger terminal and parking expansion, and a new airport railroad station will soon link regional and local passenger train service to the air terminal monorail system. The first stage of a light rail transit program will begin construction in late spring of 2001, and several major roadways to the City are undergoing improvements. Hundreds of miles of broad bandwidth fiber-optic cable now cross the central business district (CBD) linking newly refurbished office buildings with the global "info-tech" web via recently completed billion dollar carrier and web hosting sites in retrofitted former industrial and retail buildings.

Other signs of Newark's economic revitalization abound. The Prudential Insurance Company of America, long a visible symbol of Newark's skyline, invested over \$60 million in its existing and new facilities and relocated thousands of employees back to Newark. In the rest of the City's downtown area, the office and commercial real estate market is in flux. Most of Newark's Class A and B office buildings have changed hands during the past two years. Class A office space is almost fully occupied with a vacancy rate of less than 5 percent. The largest remaining 200,000-square-foot block of Class B office space is on the market, setting the stage for future new construction. Most notable, in the Fall of 2000, the IDT Corporation, an Internet and telecommunications carrier, leased the entire 420,000-square-foot vacant former home office of the now-defunct Mutual Benefit Life Insurance Company. The Newark Bears are playing in a stadium that opened in 1999, close to the New Jersey Performing Arts Center (NJPAC) that opened in 1997 and which has been a major catalyst in the revitalization of Newark's CBD.

A number of new ventures are in the planning stages in Newark. A Sports and Entertainment Village is being proposed for location on a 43-acre site in the downtown area, anchored by a new 18,500 seat, state-of-the-art National Basketball Association/National Hockey League caliber arena. The balance of the development is planned to include entertainment and sports related facilities along with retail establishments, hotels, offices and housing units. It is anticipated that the Village will attract significant numbers of tourists as well as convention and other business travelers to Newark.

The New Newark Foundation's Halsey Village Master Plan calls for creating 1,600 residential units over the next five years in downtown Newark, between the core of the CBD and the Rutgers University Campus gateway to University Heights. It is anticipated that 500 to 600 of the new units will be located in the former Hahne's Department Store Building located at the northwest corner of Broad and New Streets. Another 1,000 dwelling units will be constructed on vacant land south of the Hahne's Building.

Complementing a resurgent CBD, many of Newark's residential neighborhoods are re-populating, with close to 3,000 new market-rate homes for sale. Along with a billion dollar City-wide new school construction program, Newark's neighborhoods are anticipating a surge in retailing, as major retailers occupy vacant land and begin to create local employment and to provide convenient shopping and long-absent consumer goods and services.

The New Community Corporation, a community-based non-profit developer with thirty years of experience in Newark, in partnership with the City of Newark and Metropolitan Baptist Church, is developing Newark Towne Center, an 11.7-acre vacant site located just outside of the CBD. When completed, the project will provide a retail center of over 100,000 square feet for residents in an area currently underserved by retail establishments.

All of these investments are expected to have a positive impact on Newark and its residents. However, Newark's 8.1 percent unemployment rate is still more than twice that of the State and the US, and many of the City's neighborhoods are still in need of revitalization. The strategies and projects in the Newark 2001 CEDS have been formulated to assist the City in guiding these efforts.



PART I: NEWARK'S NEIGHBORHOODS, ITS ECONOMY, PEOPLE, TRANSPORTATION AND ENVIRONMENTAL CONDITIONS

Newark's Neighborhoods

Several sets of official boundaries disaggregate Newark into sub-areas. For example, political boundaries divide Newark into five Wards: North, South, East, West, and Central. For planning purposes, the City is divided into twenty-one neighborhoods. In the Newark CEDS, these neighborhoods have been aggregated into eight "Study Areas," (Map 2) based on geographic location and similarities in demographic and economic characteristics.

Study Area 1: North Newark. Branch Brook Park traverses and defines North Newark. Spacious private residences border it on the east. Structures that house light industrial uses, neighborhood retailing and small homes border the Park to the west. As North Newark slopes eastward to the Passaic River, buildings with active and inactive industrial uses dominate. Although large, well-maintained apartment houses fill stretches of Mount Pleasant Avenue, deteriorating smaller apartment houses and one-to-four family houses are in need of renovation.

Map 2/Newark's Eight Study Areas



Study Area 2: The Central Business District. Newark's Central Business District (CBD) is defined from north to south by Broad Street from Lincoln to Washington Parks. The intersection of Broad and Market Streets has historically been, and remains to this day, New Jersey's busiest crossroad for vehicles and pedestrians. The CBD's landmarks and assets are extensive: over ten million square feet of commercial office space, Newark's Penn Station (serving New Jersey Transit, Amtrak and PATH), Broad Street Station, the Newark subway, extensive retail space, more than 500 hotel rooms at the Robert Treat and the Gateway Hilton and six historic churches. Cultural and educational institutions in the CBD include: the Newark Museum, Newark Symphony Hall, Seton Hall Law School, the New Jersey Historical Society, the Newark Public Library (New Jersey's largest) and the New Jersey Performing Arts Center.

Study Area 3: South Broad. Weequahic Park's 311 acres define the South Broad Study Area. The Study Area's northern border links it to the CBD. To the east of the Park is an industrial and light manufacturing zone running from north to south along Frelinghuysen Avenue where it crosses the Essex County and Newark municipal boundary into Union County and the City of Elizabeth. West of Frelinghuysen Avenue are the Northeast Corridor, Routes 1 and 9 and Newark International Airport. West of Weequahic Park is the Weequahic neighborhood consisting primarily of well-maintained one-to-four family homes.

Study Area 4: Ironbound. The Ironbound area was historically the center for manufacturing in Newark. Today, the Ironbound, which still houses many of the City's manufacturing establishments, is also one of the most vibrant residential neighborhoods in Newark. Ferry Street, the neighborhood's main commercial thoroughfare, is lined with Spanish, Portuguese, and Brazilian restaurants, grocery stores, supermarkets, and small retail establishments. Heavy manufacturing uses are located along the Ironbound's road and rail borders. In recent years housing production has surged in the Ironbound, to accommodate the influx of immigrants primarily from South America.

Study Area 5: Newark International Airport and Port Newark. Newark's air and marine ports and terminals define Study Area 5. National, regional and state road arteries and rail services convey people and goods to and from the area. All major roadways converge here, including I-95 (the New Jersey Turnpike), I-78, and New Jersey Routes 1, 9 and 22. Newark is the major hub for Continental Airlines, now Newark's largest private sector employer with over 7,000 people either based or working in the City. The Study Area is also served by six major airport hotels.

Study Area 6: Vailsburg. Vailsburg is an irregularly shaped peninsula extending westward from the rest of Newark, from which it is separated by the Garden State Parkway. The neighborhood is surrounded on three sides by other municipalities and was an independent municipality until 1905. Vailsburg is so narrow that in some places it is only four to five blocks wide. Vailsburg is a neighborhood of one-family homes, with small yards and generally narrow streets. Vailsburg also encompasses Newark's largest rental housing complex, the Ivy Hill apartments.

Study Area 7: South Newark. Predominantly residential, South Newark is defined by stable residential sections in Clinton Hill and Weequahic. Many residential blocks east of Bergen Street are now cleared of structures and being readied for new light industrial and residential construction. Beth Israel Medical Center is the dominant institutional presence, providing essential and advanced health care services to the entire region.

Study Area 8: Central Newark and University Heights. Newark's higher education and health care complex of UMDNJ, as well as Rutgers, NJIT and Essex County College, the Essex County government center and Hovnanian's Society Hill residential community constitute major components of this Study Area. However, the area also encompasses deteriorating housing and commercial corridors along South Orange and Springfield Avenues. Abandoned public housing in high-rise buildings were demolished in the year 2000 for replacement by low-density one- and two-family market rate and subsidized residential housing units.

NEWARK'S ECONOMY

Beginning in 1969, in the aftermath of the 1967 riots that struck many U.S. cities including Newark, the City's economy started a decline that would last until the early 1990's. Its private sector job base dropped from 195.6 thousand in 1969 to 110.8 thousand in 1991. The bulk of the decline occurred in the Manufacturing Sector, although there was job loss in other sectors as well. During this 1969–1990 period, not only did Newark's economy decline, but so too did its population. Thousands of predominantly white middle class residents moved to suburban areas outside of Newark, with many still commuting to jobs in the City by rail or by car.

As people and jobs relocated out of the City, reports of Newark's economic demise and of its racial and social problems appeared in the media, as did Newark's image as symbolic of urban America's problems. However, within the midst of what appeared to be irreversible negative economic fortunes, decisions were made that would eventually lead to the revitalization of Newark's economy. These included: (1) the decision by the Port Authority of New York and New Jersey to invest large sums of money to expand Newark International Airport and Port Newark-Elizabeth; (2) decisions by major colleges and universities to build new campuses in Newark; and (3) the decision by the Prudential Insurance Company of America to underwrite the construction of Gateway Center, a \$25 million commercial, office and hotel project between Broad Street and Penn Station. From 1975 through 1990, over six million square feet of commercial office construction, and rehabilitation of eight major building projects further solidified Newark's central office core (see Appendix B for additional information on investments in Newark).

All of these investment decisions provided the groundwork for Newark's economic recovery that became noticeable in the early 1990's. By the end of the 1990's, Newark's private sector job base stood at 110,700, more than 1.5 times the 72,400 jobs in Jersey City, the State's next largest employment center. The two primary engines of growth in the City's economic revival have been the Service Sector and the Transportation Sector. All other sectors, with the exception of manufacturing and trade, have either stabilized or shown some growth in recent years.

The Service Sector. Service industries have always contributed to the City's economic and social vitality, but it was not until 1986 that they collectively became the major employer in Newark. Previously, the Manufacturing Sector was the prime job generator in the City. The structural change from a manufacturing to a service-based economy in Newark mirrored what was also occurring in the Nation, the State and the Northern New Jersey region. By 1998, Services accounted for 32 percent of all private sector jobs in Newark, 35 percent in the Northern New Jersey Region and 38 percent in the State. Within Newark's Service Sector, Health Services and Business Services account for the bulk of private sector jobs. Newark's educational institutions, which are primarily public, also generate thousands of jobs as do cultural, visitor and tourism related industries. Federal, State, County and Municipal government service employment not only provides a continuous and important economic presence in Newark, but also provides the public institutional infrastructure for private sector legal, accounting and related support service jobs.

The Transportation Sector. Newark International Airport is one of the most important international air passenger and freight hubs in the world. In 1999, more than 33 million passengers went through the Airport, as did over one million tons of cargo and 123 thousand tons of airmail. Port Newark-Elizabeth Marine Terminal, among the largest containerized cargo-handling facilities in the nation, is a major entry point for goods coming into the New York Metropolitan Area. Primarily due to increased activity at the Airport, jobs in the City's private sector transportation industry increased from 14,600 in 1975 to 24,800 in 1998. Public sector transportation agencies such as New Jersey Transit also generate significant numbers of jobs in Newark.

The Manufacturing Sector. In 1998, manufacturing employment in Newark dropped to 15,700—more than 80 percent below the 1953 level. The City's loss of manufacturing jobs is consistent with trends throughout the U.S., New Jersey, and the rest of the Northern New Jersey region. In 1949, manufacturing jobs accounted for 58 percent of all private sector jobs in the State; in 1998, for 15 percent. However, while manufacturing is no longer the economic engine driving Newark's economy, it is still the third largest job generating sector in the City, accounting for 14 percent of its private sector job base in 1998. Industrial buildings in Newark provide more than 51 million square feet of space.

The Finance, Insurance, Real Estate, (FIRE) Sector.

The FIRE Sector is the City's fourth largest source of private sector jobs (after services, transportation and manufacturing) employing 13,900 persons in 1998. Home to Blue Cross/Blue Shield and to the Prudential, Newark is the center of New Jersey's insurance industry. In 1998, insurance companies accounted for more than 60 percent of all FIRE jobs in the City compared to about a quarter of FIRE jobs in the rest of Northern New Jersey and the State. On the other hand, Newark has smaller job shares in banking and other FIRE industries (including securities and commodities dealers) than either the State or the Region.

High-Technology Industries, Communications and Public Utilities. Because high-tech industries are not categorized in government statistics in any particular economic sector, there are no official job statistics that can be used to analyze their growth pattern in New Jersey or in Newark. However, anecdotal evidence from high-tech and information technology companies as well as the job growth in activities located in the University Heights Science Park (UHSP), signal a growing high-tech business base in the City. One of the critical factors explaining the attraction of high-tech companies to Newark is the high quality of its telecommunications infrastructure. The recent stabilization of employment in Newark's Communications Sector and in its Utility Sector also reflects the growing importance of the City's telecommunications infrastructure.

The Retail Trade Sector. Prior to the mid-1950's, central cities such as Newark were the retail meccas of the New York/Northern New Jersey region. However, in the 1950's, the retail fortunes of Newark and other cities declined as regional shopping malls opened in developing suburban areas contemporaneously with the post-war suburban housing boom. Today, Newark's retail sector is primarily composed of neighborhood stores catering to local residents, and of niche businesses serving Newark's corporate community. Many small businesses, from restaurants to copy shops, offer delivery and thus convenience to the corporate community located in the downtown office centers. Since the New Jersey Performing Arts Center opened in 1997, a small but noticeable number of new restaurants are starting up in the CBD. However, additional restaurants and other retail establishments are needed to service the CBD and the City's neighborhoods.

POPULATION AND HOUSING IN NEWARK

In the year 2000, Newark's population stood at 273,546, compared with 275,221 in 1990. This slight decline of .06 percent stands in stark contrast to the 37 percent drop in Newark's population from 1950 to 1990— from 437,540 persons to 275,221 persons, with nearly half of the decrease occurring between 1980 and 1990. A major factor contributing to the stabilization of Newark's population is the increasing availability of new and rehabilitated housing throughout the City. A renewed sense of residential community is emerging in Newark's neighborhoods as a result of the more than 2,000 housing units put in place during the last three years. These units include market-rate for-sale homes, detached and semi-detached low-rise public housing units, and mixed-income rental and for-sale homes. Over 500 units of existing vacant housing in the City have also been rehabilitated since the late 1990's.

The 47 percent drop in Newark's public assistance cases between 1995 and 2001 may also provide additional evidence of the City's turn around, although some of the drop is due to structural changes in welfare legislation. Also, while the City's unemployment rate declined from 14.7 percent in 1990 to 8.1 percent in the year 2000, it is still more than twice the jobless rate in New Jersey and in the US.

Revitalization of Newark's neighborhoods and its retail sector will continue to be catalyzed by the resurgence of the City's residential base. To help create this base, the Newark Housing Authority will build 755 low-rise, mixed-income rental and for-sale housing units in six locations within the Central Ward spanning a 60-block area. The development, which will be partially financed with a HOPE VI grant from the U.S. Department of Housing and Urban Development (HUD), is expected to attract a diverse mix of families, drawn by the design, services, amenities and location of the project.¹ Other housing projects currently in the planning or implementation stages will provide additional impetus to neighborhood revitalization. The City of Newark is also stimulating market-rate for-sale housing production in the Central, North, and South Wards. Over one thousand City-owned lots are being packaged in site assemblages for sale to qualified developers. Purchaser financing is being facilitated by local banks and the Federal National Mortgage Association (FNMA). Newark's non-profit institutions have been a major force in the City's revitalizing housing sector.

TRANSPORTATION CONDITIONS IN NEWARK

Newark is well served by its public transportation system and the many highways that lead into the City. However, its regional transportation network, while extensive, is not ideally placed to serve Newark's core. The City is currently implementing five mobility and access objectives to facilitate movement through the City: improving road access to and from the CBD; reducing congestion; restoring and replacing bridges and roadways; providing efficient road and public transit access to Newark's major cultural and recreational sites; and connecting regional centers within the City. Once achieved, these objectives will contribute to Newark's revitalization efforts by supporting development in its commercial, industrial, and residential areas.

ENVIRONMENTAL CONDITIONS

Newark's most significant environmental feature is its 13 miles of waterfront on the Passaic River and Newark Bay. Although the Passaic River waterfront has been— for over two hundred years— heavily industrial, in recent years large stretches of it have been abandoned or rendered unusable. To fully capitalize on this significant resource, the City of Newark, using Federal and State funds, is beginning to restore the Passaic Riverfront. This includes replacement of the defective bulkhead, rehabilitation of the stream bank, construction of parks and of a riverfront pedestrian esplanade and recreation areas and the installation of traffic improvements. In addition to revitalizing the riverfront, the City, in partnership with the Federal and State governments and the private sector, is working to improve its environment by cleaning up contaminated and underutilized sites known as Brownfields and returning them to productive use. The City Administration is also working with many community organizations to restore and preserve Newark's parks and other open spaces.

¹The HOPE VI Program, administered by the U.S. Department of Housing and Urban Development (HUD) provides grants to any Public Housing Authority that has severely distressed public housing units in its inventory.

PART II: CEDS OBJECTIVES, STRATEGIES AND PROJECTS

The 1997 Newark Overall Economic Development Program (OEDP) and the 1999 Newark Comprehensive Economic Development Strategy (CEDS) set forth strategies for building on Newark's strengths and addressing its weaknesses. As summarized in Part II of this document, significant progress had been made in implementing most of these strategies. However, there is still much that needs to be done if the City is to maintain its predominant position in the Region, sustain the progress it is making and provide job opportunities for its residents. CEDS 2001 sets forth objectives and strategies directed at the City's continuing economic development efforts.

The economic development objectives for CEDS 2001 are:

Objective 1: To enhance Newark's business climate so that the City maintains its preeminent economic position in the Region.

Objective 2: To provide a full range of retail business and personal services to meet the changing needs of Newark, with particular focus on its residential neighborhoods.

Objective 3: To enhance Newark's role as the transportation hub for the Region.

Objective 4: To develop the skills of Newark residents so that they are able to take advantage of emerging job opportunities in the City and Region.

Objective 5: To continue promoting the redevelopment of Newark's central business district (CBD).

Objective 6: To promote the development of Newark's higher education and medical institutions so that they continue to be a focal point for the expansion of academic and research activities, clinical care, new industries and housing opportunities.

Objective 7: To promote the development of Newark's cultural, entertainment and tourist industries so that they continue to attract visitors to the city.

Objective 8: To provide a positive environment for manufacturing, distribution and related businesses in Newark.

CEDS PROJECTS

The short-term (up to 3 years) and long-term (3–10 years) CEDS projects that will help to achieve the City's objectives and their associated strategies are listed below. Classification as a project priority signifies that a project is sufficiently important to justify public investment using City, County, State or Federal resources. A fuller description of each project is included in Part II of this document.

CEDS Short-Term Project Priorities (up to 3 years)

1: Commercial/Office Projects

1a. Passaic Riverfront Redevelopment Area: Office/Hotel/Redevelopment sites

The Passaic Riverfront Master Plan Area encompasses the entire Riverfront from its border with the municipality of Belleville to the Newark Bay. The Passaic Riverfront Master Plan will be implemented in three phases: Phase I: in Newark's central business district (CBD) on the 15 acres located between Center Street and Penn Station and bounded by Raymond Boulevard and McCarter Highway (Route 21); Phase II: in the Ironbound to Newark Bay; and Phase III: from Center Street north to Bridge Street.

Phase I: The first phase of the Passaic Riverfront Master Plan includes four building sites on 15 acres, with a new Riverfront address, opening to a sidewalk, a street and a Riverfront park and promenade. The sites will accommodate office, hotel and restaurant development and will connect to the existing Legal Center Plaza, with pedestrian access to and from Gateway Center, Penn Station and the NJPAC.

- The Legal Center II Office Site
- Riverfront I and II Sites
- The U.S. General Services Administration (GSA) Site
- Riverfront Park/Pedestrian Walkway

1b. CBD Office Development and Related Projects

- Two Newark Center
- Gateway V and VI Office Sites
- 1180 Raymond Boulevard Residential Conversion
- CBD Structured Parking
- NJPAC Commercial Development Sites
- Office sites in the Arena area
- Westinghouse Orange Street Site Redevelopment (a Brownfield site)

2: Commercial/Retail Projects

- The New Newark Foundation Project–Halsey Village
- Newark Towne Center (a Brownfield site)
- The MINT Corridor Improvement Program Phase I and II
- Former Pabst Brewery Site Neighborhood Residential and Retail Redevelopment
- Springfield/Bergen Streets Commercial Site Acquisition
- Springfield Avenue Associated Site
- Lower Broadway Retail Development and Public Parking

3: Industrial Projects

- South Ward Industrial Park II & III (a Brownfield site)
- Bayonne Barrel and Drum Redevelopment Site (a Brownfield site)
- Dupont Site (Pitt Consol, a Brownfield site)
- Airport Support Zone (a Brownfield site)

4: Higher Education/High-Technology Business Development Projects

- University Heights Science Park (UHSP)
- Enterprise Development Center III

5: Hospitality and Entertainment Projects

- Newark Sports and Entertainment Village
- Airport Hotel Development on Routes 1 & 9
- Motion Picture and TV Production Facility
- Waverly Yards Hotels and Conference Center by Hartz Mountain Industries
- CBD Hotel Development

6: Transportation Projects

- Continental Airlines Expansion
- Airport Railroad Station
- Newark Elizabeth Rail Link (first operable segment)
- Portway
- Penn Station Newark Platform Extension, Connection to Newark Arena Complex

7: Special Projects, Planning Projects, Program Development Projects.

- Newark School Construction Program
- Newark Housing Construction Program
- Public Parking
- Workforce Preparation
- Special Improvement Districts
- Newark Business Loan Program
- CEDS Management & Marketing
- Completion of City's Master Plan
- Planning Studies
 - Springfield Avenue Corridor Smart Growth Planning, in partnership with Irvington
 - Newark Cyberdistrict Feasibility Study

CEDS Long-term Project Priorities (3–10 years)

1. Transportation

- Newark-Elizabeth Rail Link (2nd and 3rd operable segments)

2. Projects along the Passaic River Corridor

- Construction of an esplanade over Route 21 from NJPAC to Minish Park
- Passaic River dredging from the boat slip at Center Street to Penn Station Newark/Amtrak Bridge
- Movement of the combined Sewer Abatement Program from the design to construction phase to avoid penalties and fines
- Painting and lighting of the Amtrak Bridge over the Passaic River

3. Projects in Newark's Central Business District

- Widening of First Street from Sussex Avenue to West Market Street
- Traffic signal system improvements to replace computer components and device controllers
- Maintenance of signage on all major approaches to Newark to include existing and planned developments such as the arena for the New Jersey Nets and the New Jersey Devils
- Redevelopment of major abandoned sites in Newark's downtown area for residential uses

4. Water and Sewer System Improvements

- Cleaning and reconstruction of the Queens/Peddie Ditches that provide storm-water drainage for large sections of the East and South Wards
- Installation of an ozone disinfection process at the Pequannock Water Treatment Plant, a vital component of the City's water supply system

5. Redevelopment of Unused, Abandoned or Underutilized Industrial, Retail and Commercial Properties

- Assess, inventory, remediate and redevelop City-owned Brownfield sites in Newark

6. Other Programs and Projects

- Expansion of the City's Geographic Information System (GIS)
- Improvements to I-280 from First Street to the Stickle Bridge
- Design and construction of greenways and parks in Newark's neighborhoods

Part I: Current Conditions in Newark

Part I of the Newark 2001 CEDS describes current conditions in the City of Newark: its neighborhoods, economy, population, transportation facilities and its environment. It documents Newark's current economic recovery after decades of decline as evidenced by private investment in the downtown area and in some neighborhoods. However, it also shows that other neighborhoods are still in need of revitalization and that although the City's unemployment rate has fallen in recent years, it remains unacceptably high. Many Newark residents have low educational and skill levels that must be improved if they are to participate in Newark's renaissance. The objectives, strategies and projects set forth in Part II of the CEDS document address the strengths and weaknesses identified in Part I.

Map 3/Newark's Wards



Newark's Neighborhoods

There are several sets of official boundaries that disaggregate Newark into sub-areas. For example, political boundaries divide Newark into five Wards: North, South, East, West, and Central (Map 3). For planning purposes, the City has been divided into twenty-one neighborhoods. In the Newark CEDS, the City's neighborhoods have been aggregated into eight "Study Areas," based on geographic location and similarities in demographic and economic characteristics (see Table 1). This section of the report describes each of Newark's neighborhoods in the context of the eight Study Areas.



TABLE 1
Newark's Neighborhoods and Study Areas

Number	Name	Study Area (SA)
1	Central Business District	(SA 2)
2	Dayton/Weequahic Park	(SA 3)
3	Fairmount	(SA 8)
4	University Heights	(SA 8)
5	Forest Hill	(SA 1)
6	North Ironbound	(SA 4)
7	South Ironbound	(SA 4)
8	Mt. Pleasant/Lower Broadway	(SA 1)
9	Seventh Avenue	(SA 1)
10	North Broadway	(SA 1)
11	Upper Roseville	(SA 1)
12	Lower Roseville	(SA 1)
13	Springfield/Belmont	(SA 8)
14	Upper Vailsburg	(SA 6)
15	Lower Vailsburg	(SA 6)
16	West Side	(SA 8)
17	Upper Clinton Hill	(SA 7)
18	Lower Clinton Hill	(SA 7)
19	Weequahic	(SA 7)
20	South Broad	(SA 3)
21	Newark Airport, Port Newark	(SA 5)

1

North Newark encompasses six neighborhoods: Forest Hill, Mount Pleasant/Lower Broadway, Seventh Avenue, North Broadway, Upper Roseville and Lower Roseville. Branch Brook Park traverses and defines North Newark. Spacious private residences border it on the east. Buildings housing light industrial uses, neighborhood retailing and small homes border the Park to the west. As North Newark slopes eastward to the Passaic River, buildings with active and inactive industrial uses dominate. Although large well-maintained apartment houses fill stretches of Mount Pleasant Avenue, deteriorating smaller apartment houses and one-to-four family houses are in need of renovation.

Map 4/Study Area 1: North Newark



FOREST HILL

Boundaries

North: Passaic River, coincidental with the boundary of Belleville
South: Bloomfield Avenue
East: Mount Prospect and Summer Avenues
West: The old City Railway tracks

Current Conditions

Much of Forest Hill is residential, with quiet tree-lined streets, broad manicured lawns, and large homes, dating mostly from the early 20th century and displaying many distinctive architectural styles. A significant portion of the neighborhood has been officially designated a historic district. Forest Hill's greatest natural resource is Branch Brook Park, which is home to one of the nation's largest collections of Japanese flowering cherry trees, a roller rink, boating facilities, a baseball field, tennis courts, running track, a great lawn and playgrounds. The eastern boundary of Forest Hill is Mount Prospect Avenue, which is lined with large single-family homes, high-rise apartment buildings, and retail establishments. South of Abington Avenue, new mixed-use developments line Mount Prospect Avenue, as do small houses, public housing and private apartment complexes.

Transportation

Forest Hill is accessible by the Newark City Subway, which has four stops along the west border of Branch Brook Park: Bloomfield Avenue, Davenport Avenue, Heller Parkway, and Franklin Avenue. Forest Hill can also be reached by New Jersey Transit's bus service.

Community Development and Service Organizations

North Ward Center
La Casa de Don Pedro
Forest Hill Action Group
Forest Hill Community Association

Distinguishing Features

Branch Brook Park
Forest Hill Historic District
Sydenham House

MOUNT PLEASANT/LOWER BROADWAY

Boundaries

North: Abington Avenue
South: Route 280
East: The Passaic River
West: Broadway, Mount Prospect Avenue, and Second Avenue

Current Conditions

The Mount Pleasant/Lower Broadway neighborhood is a mixed-use community whose residential areas are bounded by commercial uses. The residential component of the neighborhood encompasses a diverse housing base—large single family homes, row houses, townhouses, and apartment buildings. There are also vacant and dilapidated housing units scattered throughout the neighborhood. The housing stock is gradually improving with, for example, the St. James Square development, the St. James II for-sale townhouses and the rehabilitation of 30 historic limestone housing units on Broadway (recently added to the State and National Register of Historic sites). With regard to non-residential uses, there are large industrial sites bordering the Passaic River (near Mt. Pleasant Cemetery) with inoperative railroad tracks in some locations. Small grocery stores are located throughout the neighborhood while the main thoroughfares, especially those closest to the downtown area, contain heavy commercial uses. The businesses in the Lower Broadway commercial district generate over \$30 million in annual sales combined. Several merchants in the area have formed a merchants' association to encourage cooperation among businesses and increase patronage of local establishments. Lower Broadway is one of Newark's three commercial corridor neighborhoods that will participate in the next round of MINT, the City's façade improvement program (see p.106 for description of MINT).

Transportation

Several bus lines serve the Mt. Pleasant/Lower Broadway neighborhood.

Community Development and Service Organizations

The St. James Community Development Corporation
The Apostles' House
La Casa de Don Pedro
Boys and Girls Club
Police Athletic League (within the Newark Police Complex on Broadway)
Youth Consultation Service
Aspira

Distinguishing Features

Mt. Pleasant Cemetery
Carlisle Park

SEVENTH AVENUE

Boundaries

North: Bloomfield Avenue
 South: Orange Street
 East: Broad Street and Broadway
 West: Newark City Subway line, coincidental with the western boundary of Branch Brook Park

Current Conditions

The Seventh Avenue neighborhood encompasses the southern half of Branch Brook Park, as well as many retail and commercial enterprises. The community has a diverse housing stock that includes single and multi-family homes and apartment complexes such as the Colonnade Apartments and the Academy Spires Apartments. The majority of commercial areas are located within Newark's Urban Enterprise Zone (see Appendix C).

Retail establishments are located mainly along Park Avenue, Bloomfield Avenue, Orange Street, Broadway, and Broad Street. The neighborhood's primary business area is a hub of activity in North Newark. Located on Orange Street, it encompasses insurance companies, realtors, law offices, and some light industrial establishments. East of Mount Pleasant Avenue, the area becomes industrial. The neighborhood contains a number of vacant or underutilized properties such as the Westinghouse building. Peddler's Square Flea Market, formerly a Borden's milk plant, was converted by the New Community Corporation into a modular housing factory.

Transportation

This neighborhood is served by a number of bus lines and is accessible from Newark City Subway stops at Orange Street, Park Avenue, and Bloomfield Avenue. NJ Transit trains stop at the Broad Street Station on the neighborhood's southern border. On-street parking is available and I-280 is accessible through the Broad Street on-ramp.

Community Development and Service Organizations

La Casa de Don Pedro
 New Community Corporation
 Project Live, Inc.

Distinguishing Features

Branch Brook Park
 Sacred Heart Basilica
 Roman Catholic Archdiocese Center
 Essex County Parks Administration Building

NORTH BROADWAY

Boundaries

North: North River, coincidental with the border of Belleville
 South: Broadway and Second Avenue
 East: The Passaic River
 West: Summer Avenue

Current Conditions

Located in the far northeast corner of Newark, commercial and retail developments line the neighborhood's main corridors (Broadway and Summer) interspersed with one, two, and three-family housing units. More than two-thirds of neighborhood housing is renter-occupied including Newark Housing Authority's Walsh Homes complex, a U.S. Department of Housing and Development (HUD) funded HOPE VI project on the north and south sides of Grafton Avenue. Its mid-rise apartments are being replaced by two-story attached row homes.

Retail establishments in the neighborhood include car washes, auto-body shops, used car dealers, fast-food restaurants and food markets. These are located mostly east of Broadway, an area included in the Newark Urban Enterprise Zone. The eastern side of the neighborhood, where it borders McCarter Highway and the Passaic River, is largely industrial. Major employers include the Shiffenhaus Packing Company, a stonecutting plant, and a sheet metal fabricating company. A number of properties are vacant and present opportunities for redevelopment for industrial uses.

Transportation

The area is accessible primarily by car and bus. NJ Transit buses run along Broadway. Railroad tracks used infrequently for freight traffic run east-west, parallel to Newark's northern border.

Community Development and Service Organizations

Boys and Girls Club
 La Casa de Don Pedro
 Newark Community Health Center
 Youth Consultation Services
 North Ward Center
 St. James Community Development Corporation

Distinguishing Features

Broadway Park
 Elwood (Philips) Park
 Mt. Prospect Park
 Conrail Railroad Tracks
 Erie Railroad Orange Branch Railroad Tracks

UPPER ROSEVILLE

Boundaries

North: North River, coincidental with the border of Belleville
South: Third Avenue
East: Branch Brook Park
West: North Thirteenth Street, coincidental with the border of Bloomfield

Current Conditions

Roseville is one of Newark's oldest residential areas, lying just west of Branch Brook Park, opposite Forest Hill. Roseville Avenue, once known as "Doctor's Row," contains many large homes and churches. There is little side street traffic and few retail areas except for some small "mom-and-pop" stores. The Bloomfield Avenue retail corridor is included in the Newark Urban Enterprise Zone (see Appendix C).

Transportation

New Jersey Transit buses serve some streets in the neighborhood. Newark's Subway transports passengers downtown from Bloomfield Avenue, to Davenport Avenue, Heller Parkway, and Franklin Avenue stops in less than ten minutes.

Community Development and Service Organizations

La Casa de Don Pedro
Abington Urban Renewal

Distinguishing Features

Columbus Hospital
Newark Schools Stadium
St. Francis Park
Salvatore Bontempo Memorial Park

LOWER ROSEVILLE

Boundaries

North: Third Avenue
South: Gould Avenue, I-280 and Central Avenue
East: Branch Brook Park
West: North Fourteenth and North Thirteenth Streets, coincidental with the border of East Orange

Current Conditions

Lower Roseville is a mixed-use neighborhood which includes single and multi-family homes, industrial buildings, and some retail establishments. Retail uses include mini-markets and delicatessens, hair care salons, restaurants, laundromats, bakeries, pharmacies, funeral homes and gas stations. The Orange Street retail corridor is part of Newark's Urban Enterprise Zone (see Appendix C). New housing developments, such as the Orange-Hecker Gardens, are helping to redevelop the neighborhood.

Transportation

The neighborhood is accessible to I-280. It is served by a number of bus lines, and by the Newark City Subway at Orange Street and Park Avenue. The streets in this neighborhood are wider than those in most other residential areas of the City, and residents have access to off-street parking.

Community Development and Service Organizations

North Ward Center
Hispanic Development Corporation
Chad Science Academy
New Community Corporation
La Casa de Don Pedro
Newark Business and Training Institute
Continental Export Training

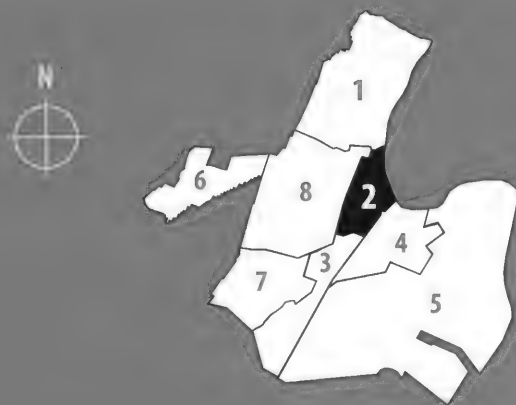
Distinguishing Features

Branch Brook Park
Kasberger Field
Thomas Street Park
First Street Park
Washington Plaza

2

The Central Business District is made up of only one neighborhood, the Downtown/Central Business District (CBD), whose boundaries are coterminous with the Study Area. Newark's CBD is defined from north to south by Broad Street from Lincoln to Washington Parks. The intersection of Broad and Market streets has historically been, and remains to this day, New Jersey's busiest crossroad for vehicles and pedestrians. The CBD's landmarks and assets are extensive: over ten million square feet of commercial office space, Newark's Penn Station (serving New Jersey Transit, Amtrak and PATH), Broad Street Station, the Newark subway, extensive retail space, more than 500 hotel rooms at the Robert Treat and the Gateway Hilton and six historic churches. Cultural and educational institutions in the CBD include: the Newark Museum, Newark Symphony Hall, Seton Hall Law School, the New Jersey Historical Society, the Newark Public Library (New Jersey's largest) and the New Jersey Performing Arts Center.

Map 5/Study Area 2: The Central Business District



Boundaries

- North:** I-280, Broad Street, Clay Street, and the Passaic River
- South:** Crawford Street, Halsey Street, Clinton Avenue, and Chestnut Street
- East:** McCarter Highway (Route 21)/ Northeast Corridor rail line
- West:** Dr. Martin Luther King Jr. Boulevard



THE CENTRAL BUSINESS DISTRICT

Boundaries

North: I-280, Broad Street, Clay Street, and the Passaic River

South: Crawford Street, Halsey Street, Clinton Avenue, and Chestnut Street

East: McCarter Highway (Route 21)/Northeast Corridor rail line

West: Dr. Martin Luther King Jr. Boulevard

Current Conditions

Newark's Downtown/Central Business District (CBD) comprises more than 15 percent of the City's developed land area (outside of the Airport-Port district), and is geographically located in the center of the City. East of Broad Street, commercial uses predominate, while retail uses constitute the prevalent use along Broad Street. North of Broad Street, the CBD is characterized by mixed retail and residential uses.

Within the downtown/CBD neighborhood, the area along Route 21 (McCarter Highway) has undergone substantial redevelopment since the late 1960's when the Prudential Insurance Company of America underwrote Gateway Center, a \$25 million project in the then decaying area around Penn Station, the major transportation hub in the Region. In the 1990's, many additional new buildings were put in place in the downtown area, including the PSE&G Headquarters and the Newark Legal and Communications Center. The most recent major corporate relocation into the area is the International Discount Telecommunication Corporation (IDT) into what was formerly the home office of Mutual Benefit Life at 520 Broad Street.

With its more than eleven million square feet of office space, Newark is the largest single center of office employment in New Jersey (see Table 2). Several of the new buildings in the downtown area are connected by above-ground walkways, which encourage shopping in Gateway Center, but discourage people from using pedestrian sidewalks in the CBD. The City of Newark established a Special Improvement District (SID), known as the Newark Downtown District, in 1998 to encourage increased activity throughout the CBD by improving pedestrian safety, enhancing street cleanliness and organizing cultural events. It is anticipated that the SID activities will also make the CBD a more attractive place in the evening after business hours.

The New Jersey Performing Arts Center (NJPAC), which opened in October of 1997, and the Newark Bears stadium have both added a vital component to the already flourishing arts and cultural activities in Newark. NJPAC has played a major role in attracting more people into the downtown area after business hours. This is providing a catalyst for other tourism-related activities such as higher-end restaurants and hotels. The anticipated construction of a new arena to host the New Jersey Nets Basketball and the New Jersey Devils Hockey teams will provide an additional incentive to bring people into the CBD after work hours.

(continued next page)

THE CENTRAL BUSINESS DISTRICT

(continued)

Transportation

Newark's CBD is one of the most accessible locations in the New York/Northern New Jersey region. NJ Transit buses from nearby Essex and Union County suburbs make frequent stops along Broad Street. Greyhound buses provide access to Newark from all parts of the Region, State and Nation. Penn Station and the Broad Street Station provide access to Newark's CBD from New York City, and areas west and south of the City via Amtrak and NJ Transit trains. At Penn Station, the Port Authority's Trans-Hudson (PATH) trains begin their direct route trips to New York City. The PATH is a 13.9-mile rail rapid transit system providing frequent service from the World Trade Center in lower Manhattan and from Herald Square at 34th Street and along Sixth Avenue to Greenwich Village, via under-river tunnels to Newark, Harrison, Jersey City and Hoboken. The 4.3-mile Newark City Subway system serves 11 stations between Penn Station Newark and the Newark/ Belleville border, linking the City's downtown to other parts of the City. Bus and rail lines connect with the subway, making the CBD accessible from other parts of Essex County. The Newark-Elizabeth Rail Link (NERL) will initially connect the NJ Transit Broad Street Station to the NJPAC and Penn Station Newark. Future expansion calls for NERL to directly link Penn Station Newark to the new Airport Railroad Station via stations along South Broad Street. North-south car and truck traffic in the CBD primarily uses Broad Street and McCarter Highway (Route 21), both major arterials; east-west traffic is served by local streets and segments of major arterials, such as Market Street and Raymond Boulevard. Because a large component of Newark's workforce is composed of non-residents who commute by car, there is significant rush hour traffic along most major streets in the downtown area, including Route 21, Raymond Boulevard and Broad Street. The lack of direct access to the CBD from nearby highways is seen as a constraint on the area's growth. There is also little on-street parking available in the area so that most commuters park in garages, which charge as much as \$12 per day. Double parking along some side streets and Broad Street is relatively common, compounding the impediments to traffic flow. The New Jersey Department of Transportation is addressing circulation problems in a major infrastructure investment program to widen Route 21.

Community Development and Service Organizations

Catholic Community Services
City Without Walls Art Gallery
CHEN/Rutgers Daycare
United Community Corporation
Newark Community Development Network
Newark Fighting Back Partnership
Episcopal Community Development, Inc.
City National Urban Development Corporation
Newark HUD Tenants Coalition
Local Initiatives Support Corporation
Regional Plan Association
Housing & Community Development Network
of New Jersey
Community Agencies Corporation of New Jersey
FOCUS
Newark Do Something
Diversity Newark
Newark Festival of People
Women in Support of the Million Man March
CURA, Inc.
Integrity House
YM/YWCA
Lincoln Park Arts/Culture District Advisory Committee

Distinguishing Features

City Hall
Lincoln Park Historic District
New Jersey Historical Society/Essex Club
Symphony Hall
New Jersey Performing Arts Center
Washington Park
The Newark Museum
Lombardy Park
Seton Hall Law School
Newark Public Library
The Hilton Gateway and Robert Treat Hotels
Military Park
The Newark Bears Stadium
Penn Station Newark
Newark Broad Street Station

TABLE 2
OFFICE BUILDINGS IN NEWARK, 2001*

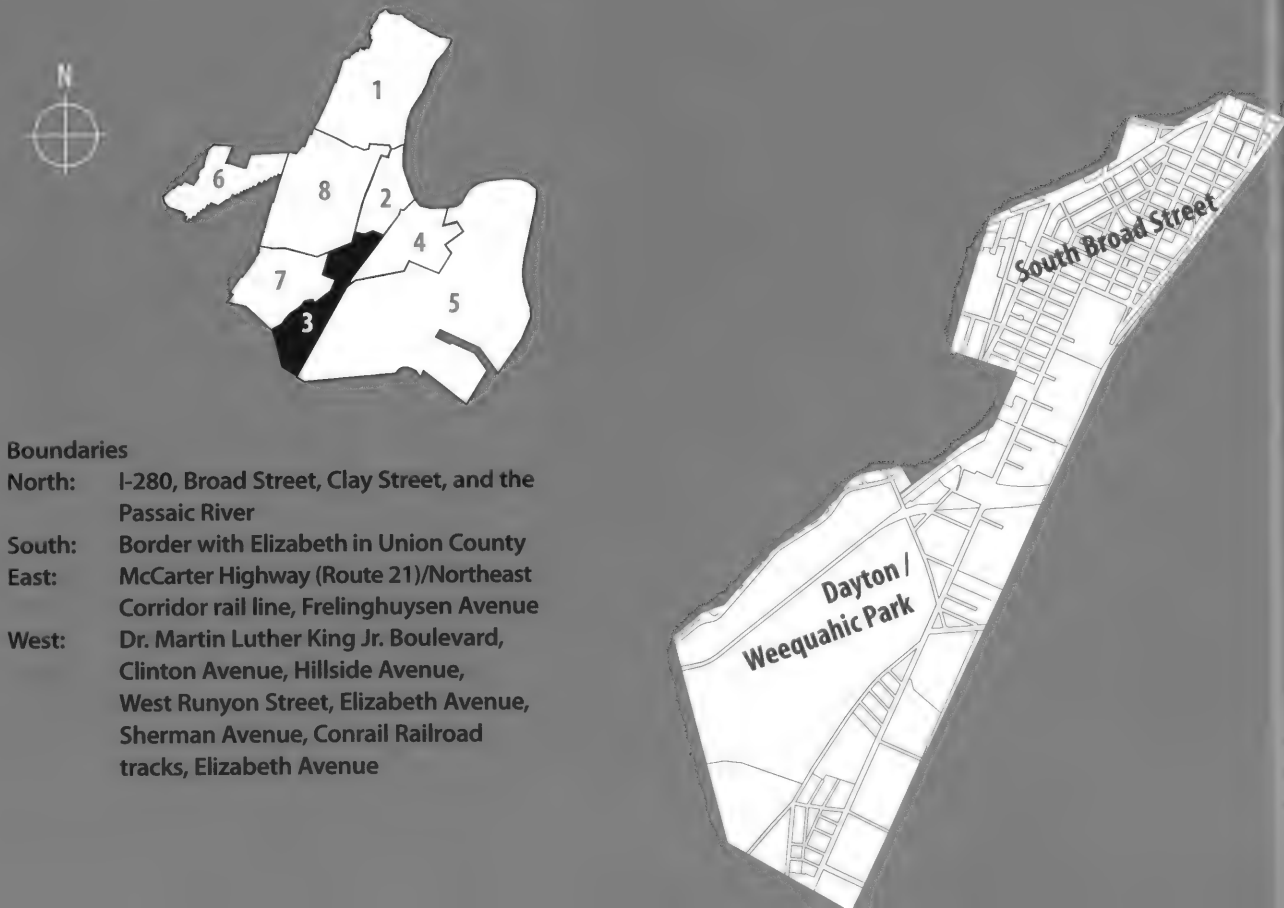
Name	Address	Square Feet
Academy Building	17 Academy Street	96,000
Catholic Community Services	494 Broad Street	75,000
Newark Housing Authority	500 Broad Street	75,000
IDT Building	520 Broad Street	444,180
First Union Bank Building	550 Broad Street	282,500
560 Broad Street	560 Broad Street	33,500
570 Broad Street	570 Broad Street	174,000
The Kislak Building	581 Broad Street	37,500
601 Broad Street	601 Broad Street	36,000
707 Broad Street	707 Broad Street	500,000
730 Broad Street	730 Broad Street	32,000
National Newark Building	744 Broad Street	566,400
786 Broad Street	786 Broad Street	60,000
972 Broad Street	972 Broad Street	50,000
31 Central Avenue	31 Central Avenue	34,000
Federal Trust Building	24 Commerce Street	184,000
614 Frelinghuysen Avenue	614 Frelinghuysen Avenue	80,000
One Gateway Center	1 Gateway Center	525,000
Two Gateway Center	Raymond Boulevard	738,000
Three Gateway Center	3 Gateway Center	500,000
Four Gateway Center	4 Gateway Center	315,000
153 Halsey Street	153 Halsey Street	550,000
The Macys Building	165 Halsey Street	300,000
Hemisphere Center	270-286 Haynes Avenue	240,000
City Hall Place	9-11 I Hill Street	45,000
231 Johnson Avenue	231 Johnson Avenue	250,000
604 Market Street	604 Market Street	20,800
Robert Treat Center	50 Park Place	130,000
Military Park Building	60 Park Place	193,000
PSE&G Building	80 Park Plaza	1,000,020
Three Penn Plaza East	Raymond Boulevard	778,000
Penn Plaza East I	Raymond Boulevard	400,000
The Newark Center Building Co.	1100 Raymond Boulevard	384,020
Raymond Commerce Building	1180 Raymond Boulevard	348,000
1186 Raymond Boulevard	1186 Raymond Boulevard	12,000
One Newark Center	Raymond Boulevard and McCarter Highway	636,000
The Legal Center	1 Riverfront Plaza	415,000
321 Sherman Avenue	321 Sherman Avenue	27,634
One Washington Park	1 Washington Street	370,615
10 Washington Place	10 Washington Place	20,000
18 Washington Place	18 Washington Place	25,000
Blue Cross-Blue Shield	33 Washington Street	426,000
Clover Enterprises Building	155 Washington Street	40,000
200 Washington Street	200 Washington Street	33,000
281 Washington Street	281 Washington Street	130,000
31 Clinton Street	31 Clinton Street	140,000
40 Clinton Street	40 Clinton Street	23,000
MBNA Building	Market Street	50,000
Total		11,825,169

* Does not include government-owned buildings, and may not include all buildings used for office purposes.

3

The South Broad Study Area is made up of two neighborhoods: Dayton/Weequahic Park and South Broad Street. Weequahic Park's 311 acres define the South Broad Study Area. The Study Area's northern border links it to the CBD. To the east of the Park is an industrial and light manufacturing zone running from north to south along Frelinghuysen Avenue where it crosses the Essex County and Newark municipal boundary into Union County and the City of Elizabeth. West of Frelinghuysen Avenue is the Northeast Corridor, Routes 1 and 9 and Newark International Airport. West of Weequahic Park is the Weequahic neighborhood consisting primarily of well-maintained one-to-four family homes.

Map 6/Study Area 3: South Broad



DAYTON/WEEQUAHIC PARK

Boundaries

North: East Peddie Street
South: Municipalities of Elizabeth and Hillside
East: Frelinghuysen Avenue
West: Elizabeth Avenue

Current Conditions

The 311-acre Weequahic Park is operated by Essex County. It has a golf course, soccer fields, and running track. Commercial corridors are located to the north and east of Weequahic Park, concentrated along South Broad Street and the border of Newark International Airport. The Park has the potential to contribute to the economic revitalization of Newark by expanding its role as a site for regional sporting and recreational events. The residential neighborhood in this area includes the Seth Boyden public housing complex as well as single and multi-family houses. There is also a significant elderly population in this neighborhood.

SOUTH BROAD STREET

Boundaries

North: Avon Avenue, Clinton Avenue,
High Street and East Kinney Avenue
South: East Peddie Street
East: McCarter Highway (Route 21)
West: Irvine Turner Boulevard

Current Conditions

The South Broad Street neighborhood is primarily residential with commercial and light industry located along some of its main corridors. The western portion, from Elizabeth Avenue to Irvine Turner Boulevard, encompasses a mixture of older residences and public housing, including many abandoned buildings. New townhouse developments are slowly replacing dilapidated structures. The area has also attracted retail development projects including a shopping plaza and a Rite Aid on Clinton Avenue. The design of Lincoln Park, one of the distinguishing features of the neighborhood, lends itself to outdoor events. The revitalization of the Lincoln Park neighborhood as an Arts/Culture District could provide a complementary pole at the southern end of downtown Newark to NJPAC at the northern end.

The northeastern part of the neighborhood has some commercial activity, such as auto repair shops, warehouses and shipping facilities. Commercial/industrial businesses are mainly located on McCarter Highway (Route 21), Frelinghuysen Avenue (Route 27), Elizabeth Avenue, and Washington Street, with a lesser concentration along Broad Street, Clinton Avenue, Irvine Turner Boulevard, and High Street. There are currently few industrial employers in the area.

Transportation

There is bus service on all of the main streets within the neighborhood. It is close to Newark International Airport, and is accessible via Routes 21, 22, U.S. Routes 1 & 9, and I-78. On-street parking is available, with restricted hours.

Community Development and Service Institutions

Donald Jackson Neighborhood Corporation
Young People's Institute
The Leaguers, Inc.
South Ward Cultural Center
YM/YWCA

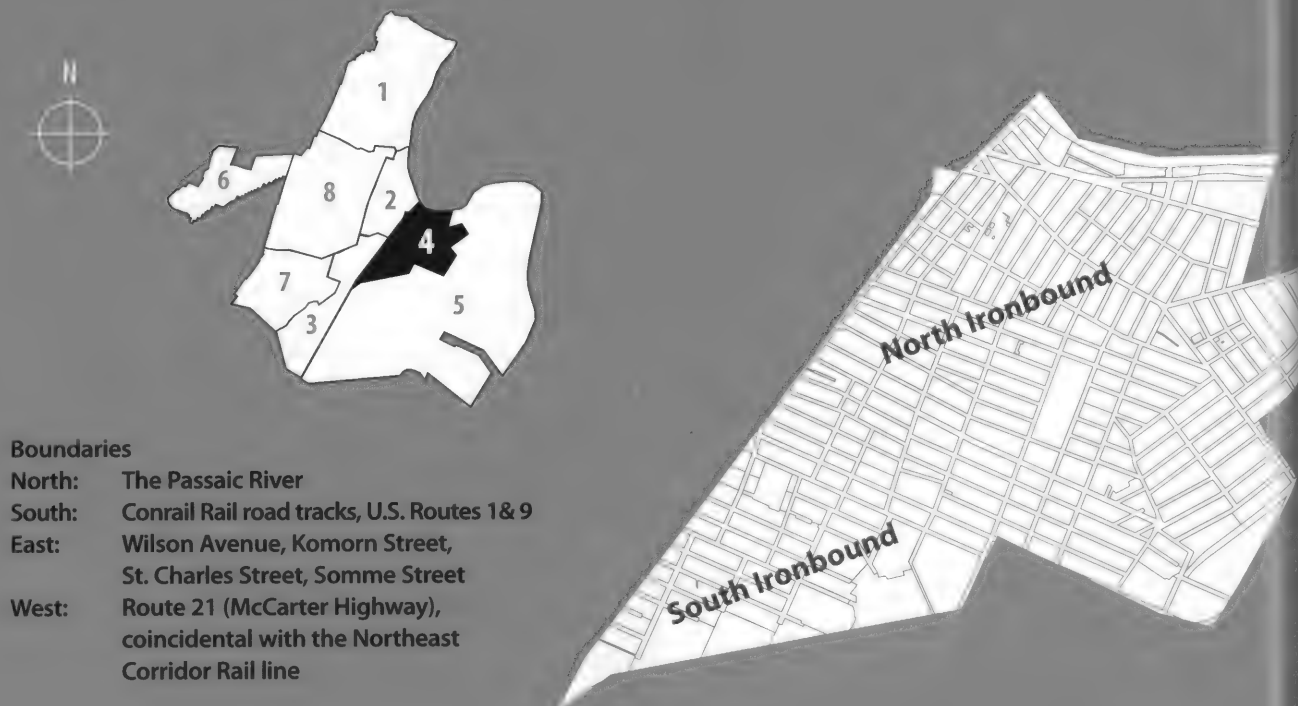
Distinguishing Features

East Peddie Street Corridor
Lincoln Park
Skulls Field
Jack Park
Clinton Park

4

Although this Study Area encompasses two separate neighborhoods—North Ironbound and South Ironbound—for purposes of the CEDS presentation they are discussed together. The Ironbound area was historically the center for manufacturing in Newark. Today, the Ironbound, which still houses many of the City's manufacturing establishments, is also one of the most vibrant residential neighborhoods in Newark. Ferry Street, the neighborhood's main commercial thoroughfare, is lined with Spanish, Portuguese, and Brazilian restaurants, grocery stores, supermarkets, and small retail establishments. Heavy manufacturing uses are located along the Ironbound's road and rail borders. In recent years, housing production has surged in the Ironbound, to accommodate the influx of immigrants primarily from South America.

Map 7/Study Area 4: Ironbound



IRONBOUND

Boundaries: North Ironbound

North: The Passaic River
 South: Chestnut, Pacific, Dawson, and Malvern Streets
 East: Wilson Avenue, Komorn Street, St. Charles Street, Somme Street
 West: Route 21 (McCarter Highway), coincidental with the Northeast Corridor rail line

Current Conditions

Heavy manufacturing uses are located along the Ironbound's road and rail borders. Sites in the eastern half of the Ironbound are located less than five minutes from both I-95 (New Jersey Turnpike) and Routes 1 and 9 to the east, I-280 to the north, and I-78 to the south. The area has direct access to Port Newark-Elizabeth and the Newark International Airport. Transportation-based industries currently located in the neighborhood include trucking, warehousing, freight forwarding, container storage, and distribution operations.

The Ironbound neighborhood continues to attract new residents and businesses. More than five hundred above-market-rate housing units have been built and sold in the Ironbound neighborhood in recent years. Several major projects have been proposed and planned by the City for the area, including restoration of the Passaic Riverfront and construction of a waterfront park. The planned creation of the Joseph G. Minish Passaic River Waterfront Park and Historic Area will encompass extensive river restoration measures. The estimated cost of the initial phase of the project is \$75 million to be shared by Federal and State Governments and the City of Newark.

Although the Ironbound continues to attract new development, long-standing problems such as antiquated and severely overcrowded schools as well as limited recreational facilities and insufficient parking place significant constraints on the neighborhood's long-term viability. Contamination of soil and groundwater by previous manufacturing users is an environmental problem that affects the Ironbound area, and is one of Newark's serious challenges. Complex environmental regulations, combined with liability risks to present and future owners, make it difficult and expensive to clean and redevelop many of these sites, generally referred to as Brownfields. The City of Newark has completed the Newark Brownfields Assessment Pilot to address these problems (see section on Newark's Environment for additional information).

Boundaries: South Ironbound

North: The Passaic River
 South: Conrail Rail road tracks line, U.S. Routes 1 & 9
 East: Same as southern boundary
 West: Route 21 (McCarter Highway), coincidental with the Northeast Corridor rail line

Efforts to address environmental, business and quality of life issues in the Ironbound are being led by several organizations. The Ironbound Special Improvement District (SID) was recently authorized by the Newark Municipal Council to improve business and residential services and amenities in the area. The Ironbound Business Association serves a primarily manufacturing business base. It addresses both generic and environmental regulatory issues unique to the Ironbound. The Ironbound Community Corporation works with neighborhood residents to develop and operate programs and services to meet the needs of the area and improve the quality of life for individuals, families, and the community as a whole.

Transportation

The Ironbound area is served by NJ Transit buses, and most of its residential areas are less than a fifteen minute walk from Penn Station. However, there is insufficient parking in the Ironbound neighborhood, leading to extensive double parking along its streets and slow traffic conditions. This is particularly noticeable along Ferry Street, the main commercial thoroughfare. Though some measures have been proposed to alleviate this problem, space is at a premium in this densely developed neighborhood. The NJ Turnpike and Routes 1 & 9 are also accessible.

Community Development and Service Organizations

Ironbound Business Association
 Ironbound Community Corporation
 Ironbound Special Improvement District (SID)

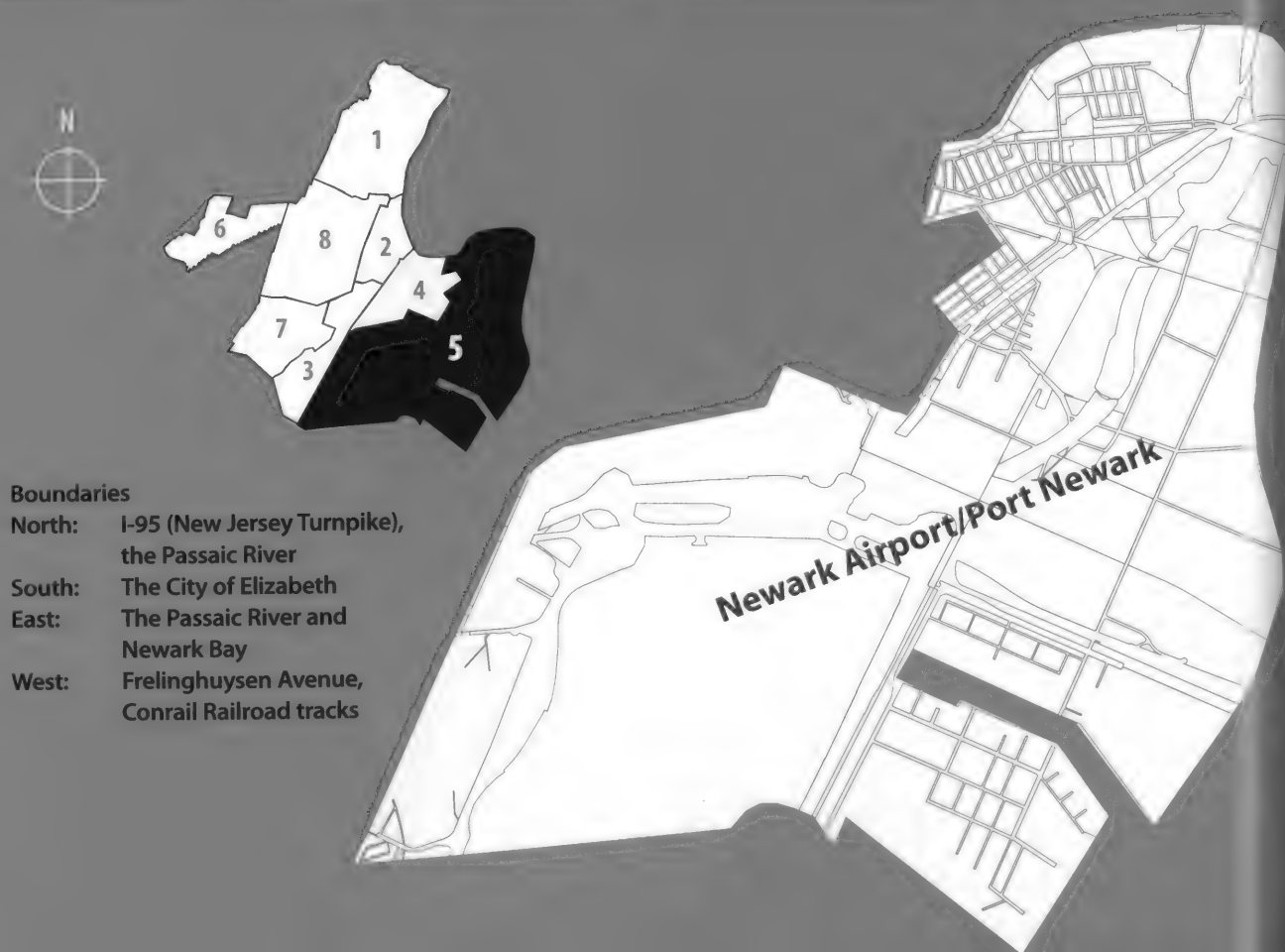
Distinguishing Features

St. James Hospital
 Independence Park
 Ironbound Center
 Hayes Park East
 Riverbank Park

5

Study Area 5 encompasses one neighborhood—the Newark Airport/Port Newark neighborhood. Newark's air and marine ports and terminals define Study Area 5. National, regional and state road arteries and rail services convey people and goods to and from the area. All major roadways converge here, including I-95 (the New Jersey Turnpike), I-78, and New Jersey Routes 1, 9 and 22. Newark is the major hub for Continental Airlines, now Newark's largest private sector employer with over 7,000 people either based or working in the City. The Study Area is also served by six major airport hotels.

Map 8/Study Area 5: Newark Airport/Port Newark



NEWARK AIRPORT/PORT NEWARK

Boundaries

North: I-95 (New Jersey Turnpike), the Passaic River
South: The City of Elizabeth
East: The Passaic River and Newark Bay
West: Frelinghuysen Avenue, Conrail Railroad tracks

Current Conditions

The metropolitan region's first major airport was built by the City of Newark in 1928 on 68 acres of swampland, and is today one of the world's busiest airports. During World War II, it was operated by the Army Air Corps. In 1948, the Port Authority of New York and New Jersey (the Port Authority) assumed responsibility for the Airport's operations and development under a lease with Newark that is still in effect.

The 11.5-square-mile Airport/Seaport region is almost entirely used for manufacturing and warehousing activities. The area, which has very little housing, no schools, commercial districts, or other typical neighborhood amenities, contains many warehouses and industrial plants, including a large Anheuser-Busch brewery and 14 major hotels. The State operates the Northern State Prison in this area as well. Vacant land and unused industrial buildings are available for industrial expansion in this neighborhood (see the section on Newark's Transportation Industry for detailed description of the Port and Airport).

Transportation

The area is served by freight railroad connections and a convergence of major highways including I-280, I-78, I-95/New Jersey Turnpike, U.S. Routes 1 & 9, and Route 21. When completed in 2004, the first operable segment of the Newark-Elizabeth Light Rail Transit Line (NERL) will connect the Broad Street Station and Newark Penn Station. The second segment of NERL will connect NJ Transit's east-west passenger trains from Morris and Essex Counties to the Airport Railroad Station via Penn Station Newark and stations in the South Broad Street area. Construction of the first operable segment is scheduled to begin in First Quarter 2002. Right-of-way acquisition is currently under way.

The Port Authority of New York and New Jersey is funding construction of an Airport Railroad Station at Waverly Yards. The Station will provide the only direct rail access to the Airport. Initially, the railroad will stop at each of the Airport's three terminals and will connect the Airport's Automatic People Mover (APM) monorail with NJ Transit and Amtrak passenger service.

The Portway International/Intermodal Corridor program, a series of freight improvement projects, is intended to strengthen access to and between the Newark-Elizabeth airport/seaport complex, intermodal rail facilities, and the regional surface transportation system.

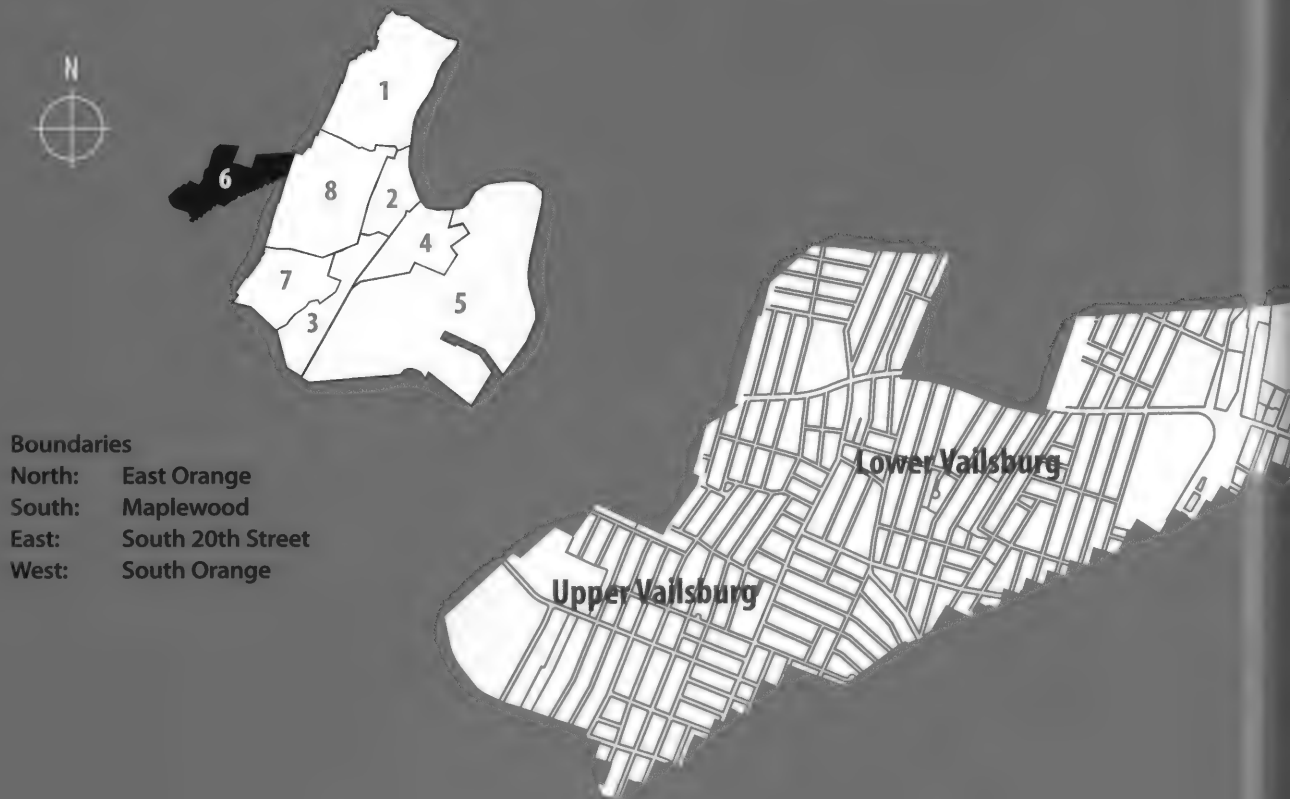
Distinguishing Features

Newark International Airport
Port Newark Marine Terminal of Port Newark-Elizabeth

6

This study area is composed of two neighborhoods: Upper (western) Vailsburg and Lower (eastern) Vailsburg. Because of their size and proximity to each other, they are presented together. Vailsburg is an irregularly shaped peninsula extending westward from the rest of Newark, from which it is separated by the Garden State Parkway. The neighborhood is surrounded on three sides by other municipalities, and was an independent municipality until 1905. Vailsburg is so narrow that in some places it is only four to five blocks wide. Vailsburg is a neighborhood of one-family homes, with small yards and generally narrow streets. Vailsburg also encompasses Newark's largest rental housing complex, the Ivy Hill apartments.

Map 9/Study Area 6: Vailsburg



UPPER VAILSBURG

Boundaries:

North: East Orange
South: Maplewood
East: Sandford Avenue
West: South Orange

Current Conditions

The main commercial thoroughfares in Upper Vailsburg are Sandford Avenue, Irvington Avenue, and South Orange Avenue. They are lined by grocery stores, nail and hair salons, restaurants, laundromats, dry cleaners, bakeries, pharmacies, funeral homes and gas stations. Ivy Plaza is the main retail complex and includes a large supermarket.

Lower Vailsburg is primarily a residential neighborhood. Its main commercial areas are Sandford Avenue, Eighteenth Avenue, Stuyvesant Avenue and South Orange Avenue, which runs through Newark and Morris County. The composition of the retail and commercial establishments is similar to that in Upper Vailsburg. There are some vacant houses and retail spaces interspersed throughout the neighborhood, especially along South Orange Avenue. There are also vacant residential apartment buildings with first floor storefronts on South Orange Avenue. The swath of South Orange Avenue between Sandford and Stuyvesant Avenues has been designated as a MINT corridor by the City of Newark. This designation will provide façade improvements to storefronts along this corridor.

LOWER VAILSBURG

Boundaries:

North: East Orange
South: Maplewood
East: South Twentieth Street
West: Sandford Avenue

Transportation

Vailsburg has excellent access to the Garden State Parkway, which connects the area to I-280 and Route 78. There are major bus routes that run along South Orange Avenue, Eighteenth Avenue, Stuyvesant Avenue and Sandford Avenue. However, Lower Vailsburg is not well served by Newark's public transportation system. Roads are generally in good repair, and on-street parking is available.

Community Development and Service Organizations

Unified Vailsburg Services Organization
New Community Corporation—Babyland
Essex County Telephone and Credit Union
People Helping People Group, Inc.

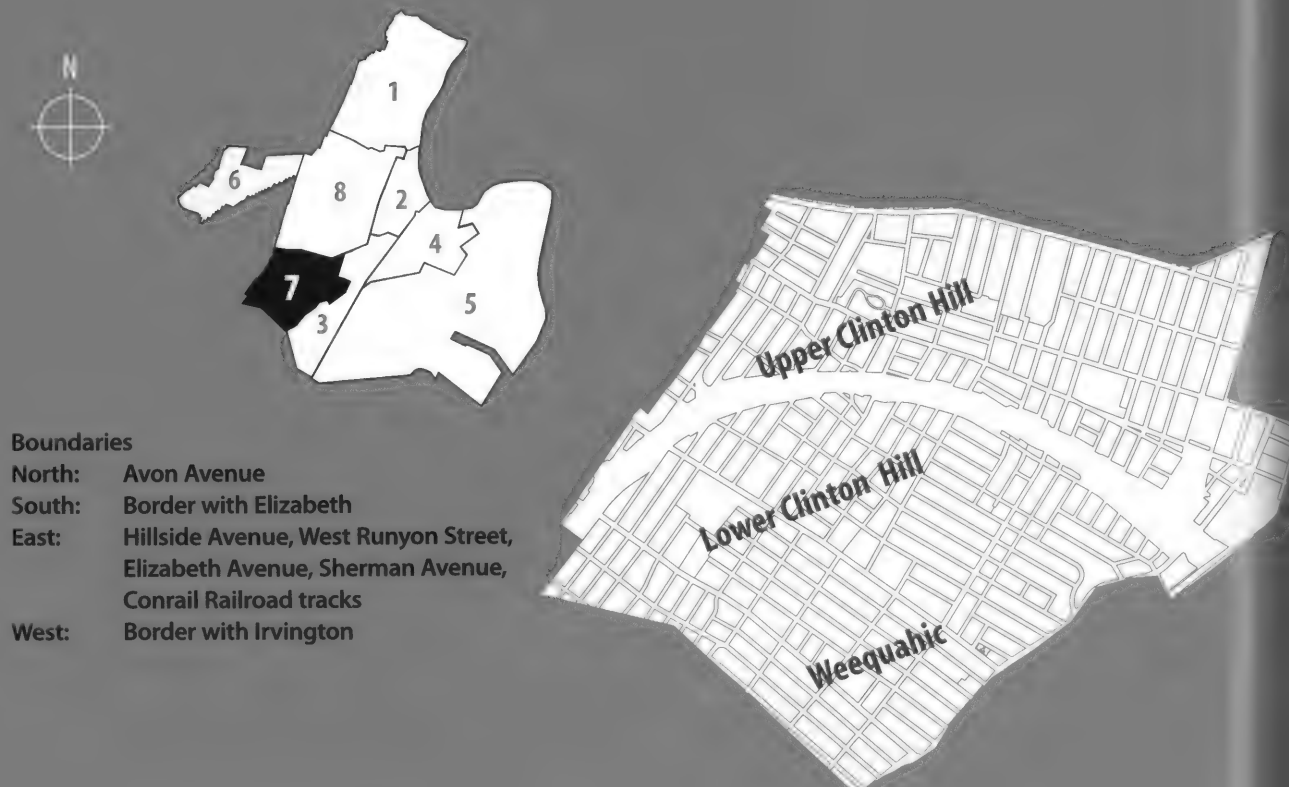
Distinguishing Features

Boylan Street Recreational Center and Pool
West End Park
Vailsburg Park
Holy Sepulchre Cemetery
Ivy Hill Park
Sacred Heart Church-Vailsburg
St. John Roman Catholic Cathedral
The Vector Building

7

The South Newark study area is made up of three neighborhoods: Lower Clinton Hill, Upper Clinton Hill, and Weequahic, located near the City's southern border. Weequahic Park is a part of Study Area 3. Predominantly residential, South Newark is defined by stable residential sections in Clinton Hill and Weequahic. Many residential blocks east of Bergen Street are now cleared of structures and being readied for new light industrial and residential construction. Beth Israel Medical Center is the dominant institutional presence, providing essential and advanced health care services to the entire region.

Map 10/Study Area 7: South Newark



LOWER CLINTON HILL

Boundaries

North: Avon Avenue

South: I-78

East: Irvine Turner Boulevard, West Peddie Avenue, and Elizabeth Avenue

West: Bergen Street

Current Conditions

The Lower Clinton Hill neighborhood is a mixed industrial and residential neighborhood that is densely populated in its northern areas. It contains large tracts of vacant land south of Clinton Avenue. The neighborhood is entirely located within Newark's Urban Enterprise Zone. A commercial strip is located along Avon Avenue, Bergen Street and Irvine Turner Boulevard. There is a paper and food products distributor, but few large employers in the area. Most of the viable light industry is located along the southeast border of the neighborhood. There are gasoline stations, used car businesses and warehouse facilities located on Elizabeth Avenue. Within the neighborhood, most of the businesses are auto-related and are located along Hawthorne Avenue, Bergen Street and Peshine Avenue. At the intersection of Avon Avenue and Ridgewood Avenue there is also one active block of businesses. There are older factory buildings from Bigelow Street to Hawthorne Avenue; most are vacant.

The South Ward Industrial Park occupies seven acres on the northeast corner of Bergen Street and Hawthorne Avenue. Constructed by an affiliate company of the Newark Economic Development Corporation in 1998, this 100,000-square-foot modern light industrial building is home to two Port-related transportation companies. Its presence is attracting interest from private investors to build unsubsidized buildings for light industrial uses on at least two other city-owned blocks on Badger Avenue and Ridgewood Avenue.

The South District headquarters of the Newark Police Department, a branch of the Newark Public Library and a Newark Public School are in proximity to one another along Bergen Street between Hawthorne Avenue and Clinton Avenue. Lower Clinton Hill is also the proposed location for the Belmont-Runyon replacement school to be relocated from the site adjacent to the I-78 ramp at West Peddie and Ridgewood Street (see Section on Newark's Economy for discussion of replacement schools).

Forty-six percent of the housing in Upper Clinton Hill consists of large apartment complexes with 20 or more units, including the New Community Corporation's Douglass-Harrison Complex. The Newark Housing Authority has built two new townhouse developments in the area. The first is a four-block development on the southwest corner. The second, Clinton Hill, is a ten-block, 196-unit project in the northwest corner of the neighborhood. The Authority plans to build approximately 200 rental townhouses in the Clinton Hill area.

The older housing units in the neighborhood are mainly two-story wooden frame structures, many in need of repair. A large number of homes in the neighborhood have already been demolished, leaving much City-owned vacant land available for redevelopment. The City has designated 16 developers to build 372 units of for-sale housing and community space on clusters of vacant, City-owned land within Clinton Hill, with initial development scheduled to begin in Spring 2001. Episcopal Community Development, Inc., the community development arm of the Episcopal Diocese of Newark, has contributed to the restoration of existing housing stock in the neighborhood, through its Samaritan Project and its St. Phillip's project.

(continued next page)

LOWER CLINTON HILL

(continued)

Transportation

The neighborhood is accessible from I-78 and Route 22. The main streets, Clinton Avenue, Bergen Street, and Irvine Turner Boulevard, are served by NJ Transit buses. There is both on-and-off street parking throughout most of the neighborhood and many of the single family homes have driveways.

Community Development and Service Organizations

Newark Fighting Back Partnership
New Community Corporation
Episcopal Community Development, Inc.
New Light Development Corporation
Clinton Hill Community Collaboration
South Ward Neighborhood Partnership

Distinguishing Features

Belmont-Runyon Park
Shleiffer Park

UPPER CLINTON HILL

Boundaries

North: Avon Avenue and Rose Terrace
South: I-78
East: Bergen Street
West: Twenty-First Street, coincidental with the border of Irvington

Current Conditions

The Upper Clinton Hill neighborhood is primarily residential, with one-and two-family houses predominating. There are three small parks in the neighborhood, several schools, and many churches. Runyon Street is the location of a new housing development, but some blocks contain abandoned or underutilized buildings and empty lots. The Clinton Avenue commercial corridor running west of Bergen Street contains many small retailers, large churches and a parochial school.

Transportation

This neighborhood is accessible via I-78, which runs along its southern border. NJ Transit has bus routes that run along Avon Avenue, Clinton Avenue, Bergen Street, Eighteenth Street and Nineteenth Street.

Community Development and Service Organizations

The Leaguers, Inc.
Muslim, Inc.
Clinton Hill Early Childhood and Community Center
South Ward Neighborhood Partnership
Osborne Terrace Block Association
Clinton Hill Improvement Association

Distinguishing Features

Mildred Helms Park
Homestead Park

WEEQUAHIC

Boundaries

North: I-78

South: City of Elizabeth

East: Elizabeth Ave

West: I-78

Current Conditions

The Weequahic neighborhood is primarily a stable residential area, with some industrial uses along Frelinghuysen Avenue. There is a wide range of housing stock in the neighborhood, ranging from stately one-family homes along tree-lined streets to public housing complexes. Moderate-sized apartment houses are located along Chancellor and Lyons Avenues below Maple Street and on Elizabeth Avenue. Many of the Elizabeth Avenue apartments are vacant and south of Bergen Street there are pockets of deteriorated housing, mainly from Watson Avenue to Elizabeth Avenue.

Newark Beth Israel Medical Center is located in the center of the neighborhood and is a major employer (see the section of this report on Health Care Facilities for a description of Beth Israel). Bergen Avenue is the main shopping area in the Weequahic neighborhood. Other shopping corridors in the neighborhood include Chancellor Avenue and Lyons Avenue. At the intersection of Route 78 in Irvington and Chancellor Avenue there is a large Dairyland and the Valley Fair Shopping Center. The neighborhood also has a number of local retail establishments. On Lyons Avenue, to the west of the Medical Center, many of the shops are vacant. Approaching the Irvington border and the highway, the neighborhood begins to deteriorate.

Transportation

Bus service is available on all of the main avenues. I-78 is accessible in the western part of the neighborhood; Route 22 is accessible at the eastern side. There is both on-and-off street parking throughout most of the area and many of the single family homes have driveways.

Community Development and Service Organizations

Weequahic Park Association
North Jersey Black Churchmen
South Ward Cultural Center
Weequahic Park

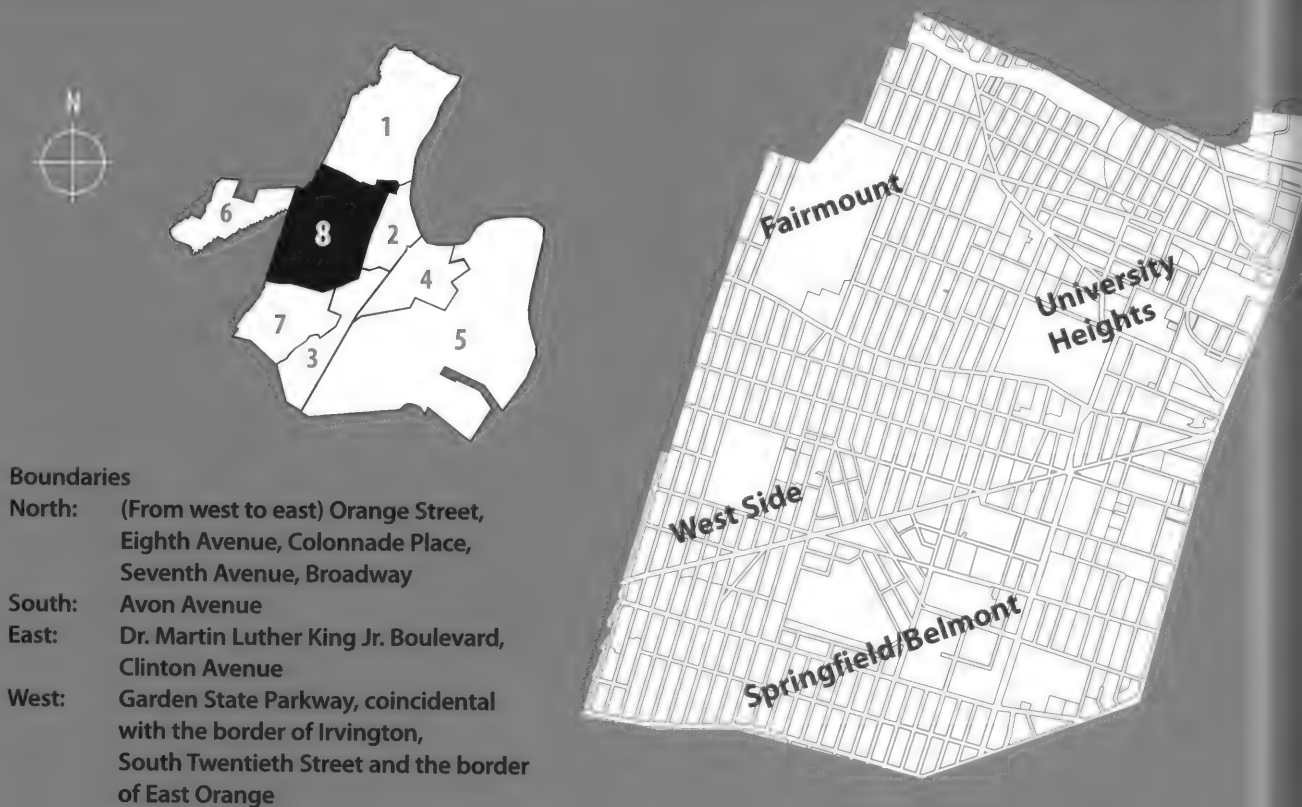
Distinguishing Features

St. Peters Park
Newark Beth Israel Medical Center

8

This Study Area is composed of four neighborhoods: Fairmount, University Heights, Springfield/Belmont and West Side. Newark's higher education and health care complex of UMDNJ, as well as Rutgers, NJIT and Essex County College, the Essex County government center and Hovnanian's Society Hill residential community constitute major components of this Study Area. However, the area also encompasses deteriorating housing and commercial corridors along South Orange and Springfield Avenues. Abandoned public housing in high rise buildings was demolished in the year 2000 for replacement by low-density one and two-family market rate and subsidized residential housing units.

Map 11/Study Area 8: Central Newark and University Heights



FAIRMOUNT

Boundaries

North: Gould Avenue
 South: South Orange Avenue
 East: Bergen Street
 West: Garden State Parkway

Current Conditions

Fairmount is a mixed-use neighborhood. Small industrial establishments are interspersed throughout the area, including chemical and plastics companies and auto body shops. The residential areas encompass a diverse housing base, which includes spacious single and multi-family homes, row houses, and large rental complexes. Georgia King Village is the largest residential complex, made up of two high-rise apartment buildings and a collection of townhouses. Most of the vacant land in Fairmount consists of grass-covered lots. Some lots have been adopted by community residents and, in conjunction with the Greater Newark Conservancy, have been transformed into urban gardens.

The New Community Corporation (NCC), Newark's oldest and most successful community development corporation (CDC), is heavily involved in the neighborhood. NCC, a non-profit community development corporation, was founded over 25 years ago by Monsignor William Linder. Beginning with one development of single-family housing, NCC has become a major contributor to the revitalization of Newark by transforming significant portions of the Central Ward into viable neighborhoods. The Corporation has provided affordable housing for over 6,000 people and has generated over 1,300 jobs, 96 percent of which are filled by minorities and 66 percent by Newark residents. Its neighborhood shopping center, anchored by Pathmark Supermarket & Pharmacy, serves over 50,000 shoppers each week. Recently, the NCC Pathmark's supermarket was joined by the International House of Pancakes (IHOP), a Kentucky Fried Chicken and an Eckerd Drug Store.

Vacant and underutilized properties in the neighborhood range from housing units scattered throughout the area to a number of large buildings, including the former Pabst Brewery on South Orange Avenue, the former Engine 11 Fire House on Central Avenue, and a former drug rehabilitation center. Following a redevelopment study, the former Pabst Brewery site is being considered for replacement by a low-density development that will encompass a neighborhood shopping center of approximately 70,000 square feet of commercial space and 131 new housing units.

The Fairmount neighborhood, as well as other parts of the Central Ward, are experiencing extensive construction of market-rate and subsidized for-sale-housing. The City of Newark is selling vacant land to private developers and faith-based organizations for one-and two-family housing development. Banks, supported by the secondary market through Fannie Mae, are offering mortgage financing and down payment assistance to stimulate home ownership for first time buyers.

Transportation

The Fairmount neighborhood is serviced by nine bus lines. In addition, there is access to the Newark City Subway at Sussex Avenue. Residents have access to on-street parking.

Community Development and Service Organizations

Protestant Community Centers, Inc.
 Habitat for Humanity
 Babyland Head Start Center
 Friendly Fuld Development Center
 Boys and Girls Club
 South 11th Street, South 10th Street, South 9th Street, Fairmount and Tri-City Block Associations
 Greater Newark Conservancy
 New Community Corporation
 Women's Urban Renewal Development Corporation
 Urban League of Essex County
 West Ward Cultural Center
 Newark United West Ward

Distinguishing Features

NCC Pathmark Shopping Center
 Fairmount Cemetery
 Holy Sepulchre Cemetery

UNIVERSITY HEIGHTS

Boundaries

North: Orange Street

South: South Orange Avenue

East: University Avenue

West: First Street/Bergen Street

Current Conditions

Four institutions of higher education are located in the neighborhood, giving it its designation of University Heights. They are: the University of Medicine and Dentistry of New Jersey (UMDNJ), New Jersey Institute of Technology (NJIT), Rutgers University-Newark Campus and Essex County College. These institutions are spread out over 320 acres and serve a population of more than 45,000 full-and part-time students, faculty, and researchers (see section of this report on Higher Education and Health Care for details).

University Heights was created out of a large area of City-owned land interspersed with housing and retail areas that had been damaged in the 1967 riots. The City of Newark donated the land to UMDNJ, which began construction in 1970. Although the redevelopment was, and continues to be, an asset for the City, the displacement of some residents that occurred during its construction was controversial. Today, however, the university community contributes not only to Newark's economic base, but also to its quality of life through the intellectual, scientific, and artistic energy it gives to the City.

University Heights has recently experienced significant private investment. K. Hovnanian, one of New Jersey's leading home builders, has transformed formerly vacant land into a middle income townhouse development called Society Hill. Almost all of the units of unsubsidized market value condominium housing have been sold, and the project has demonstrated that there is a strong market for middle income housing in Newark. Hartz Mountain Industries recently completed construction of a 900-car parking garage on University Avenue and Raymond Boulevard.

Transportation

The Newark City Subway line runs from Penn Station Newark along Warren Street, making stops at Washington Street on the Rutgers campus, and on Warren Street on the NJIT campus. Buses also service the area. Parking is available both on the street and in numerous university facilities, although since many students have cars, there are some problems finding parking spaces during day time hours.

Community Development and Service Organizations

New Community Corporation

CHEN: Council for Higher Education in Newark

Baxter Terrace

UMDNJ Emergency Medical Services

Distinguishing Features

Essex County College (ECC)

New Jersey Institute of Technology (NJIT)

Rutgers-Newark Campus

University of Medicine and Dentistry of New Jersey (UMDNJ)

St. Michael's Medical Center

NCC Extended Care

University Heights Science Park

SPRINGFIELD/BELMONT

Boundaries

North: South Orange Avenue, Springfield Avenue

South: Avon Avenue

East: Dr. Martin Luther King Jr. Boulevard,
Clinton Avenue

West: Bergen Street

Current Conditions

Springfield/Belmont is experiencing a spillover effect from the current boom of redevelopment projects in the University Heights neighborhood, directly to its north. Springfield/Belmont itself is mostly residential, with some commercial development. There are large public housing complexes in the neighborhood, as well as private apartment buildings, but a limited number of single-family homes. Some high-rise public housing in the neighborhood has recently been demolished and replaced by low-density townhouse-style developments. New housing projects constructed by local non-profit development corporations (e.g., Corinthian Housing Development Corporation) and private developers (e.g., Hovnanian) are increasing the market for goods and services in this area of the City. These new developments are contributing to the reduction of the crime and drug problems that existed in the area. The Newark Housing Authority's removal of hi-rise public housing complexes has made room for new housing development by the City, local CDC's and faith-based organizations. The removal of obsolete hi-rises is part of the Federal HUD HOPE VI program. This reduction of density and deconcentration of poverty is contributing to the revitalization of the Springfield/Belmont and surrounding neighborhoods.

Expansion of the universities to the north and the neighborhood's proximity to the CBD make this an attractive area to live for students as well as those who work in the CBD. New projects include expansion of the current Society Hill housing development and renovation of the Krueger-Scott Mansion. Three million dollars have already been invested in this historic turn-of-the-century mansion, which will serve as a local cultural center.

Major retail thoroughfares in the neighborhood include South Orange and Springfield Avenues, Bergen Street, Dr. Martin Luther King Jr. Boulevard, and Avon Avenue. The Sony Theater on Springfield Avenue is one of the City's newest and larger entertainment centers. An 11-acre retail development site at Springfield Avenue and Jones Street is being jointly developed by the New Community Corporation and Metropolitan Baptist Church. Several other commercial establishments and retail stores are currently consid-

ering locating along the Springfield Avenue corridor. The City is partnering with the adjacent Township of Irvington to consider methods of guiding development along this corridor via a Smart Growth planning grant received from the State of New Jersey. The City is assembling a 15-acre commercial retail development site bordered by Bergen Street, South Eighteenth Avenue and Springfield Avenue adjacent to the movie theater. The nearby Essex County Courthouse area, from Dr. Martin Luther King Jr. Boulevard to University Place, has attracted many legal and business service companies.

Transportation

All main roads in the neighborhood have bus service. Major thoroughfares and side streets are highly traveled, mainly because of the dense population. The neighborhood is accessible by car from Routes 21 and 22, and I-280, but there is restricted parking along all main roads, except for Bergen Street, where parking is not permitted. Parking is available on almost all side streets and there is some off-street parking, especially in newly developed areas.

Community Development and Service Organizations

New Community Corporation
Friendly Fuld Neighborhood Center
Newark Fighting Back Neighborhood Commons

Distinguishing Features

Krueger-Scott Mansion
Hank Aaron Field
J. F. Kennedy Recreational Center
Douglass Park
Nat Turner Park
Harrison Park
Jesse Lee Allen Park
Hayes Park West
Waverly Park
Hunterdon Street Park

(continued next page)

WEST SIDE

Boundaries

North: South Orange Avenue

South: Rose Terrace and Avon Avenue

East: Bergen Street

West: Irvington

Current Conditions

The West Side neighborhood is bordered on three sides by retail corridors included in Newark's Urban Enterprise Zone: South Orange Avenue, Bergen Street, and Avon Avenue. Springfield Avenue and Eighteenth Avenues run through the middle of this neighborhood. Businesses along the main retail thoroughfares include delivery services, car repair shops, restaurants and light industrial activities. South Orange Avenue has many small businesses for local shopping, and several newly completed housing and economic development projects are rejuvenating the area. There are relatively few large employers; two large manufacturing companies are now in the process of relocating. Newark's designation in 1995 as a Federal Enterprise Community (see Appendix C for details) has begun to act as a catalyst for new uses and replacement jobs in this area, which is one of the eight neighborhoods in the Enterprise Community.

Designated in 1997 as an Urban Coordinating Council (UCC) neighborhood, the area is the focal point of ongoing comprehensive community planning efforts that address economic development, housing, public safety, recreation and environmental issues. Housing and economic development projects in this area are subject to priority consideration for State resources.

Most of the housing stock in the West Side neighborhood is old, built from wood, and in need of renovation. While about 150 lots in residential areas are either vacant or have abandoned buildings, the neighborhood is improving as a result of sustained and coordinated efforts of urban renewal between private non-profits, the City of Newark, the Newark Housing Authority, and for-profit developers. From Bergen Street along Fourteenth and Fifteenth Avenues and from Eighteenth Avenue to Twelfth Street, there are a few blocks of new wood-frame houses built by Corinthian Housing Development Corporation, as well as over 200 new Newark Housing Authority townhouses from Fourteenth to Sixteenth Avenues and next to West Side Park. Habitat for Humanity is also constructing new owner-occupied housing in the neighborhood. Other new housing units developed in the West Side Park area over the past few years include: United Community Village (rental townhouse development with adjacent mixed-use community center);

Macedonia Heights Pearl Gardens; Macedonia Gardens; Horizon Village I & II and Mount Calvary Commons. Also, the City of Newark is designating assemblages for new housing construction by private developers.

Transportation

Buses service all main streets and avenues in the neighborhood. There is regulated on-street parking along all main retail corridors except Bergen Street, where there is no parking allowed. South Orange Avenue is very busy and often crowded by double-parked cars. The demand for parking spaces is high, and overflows from the main thoroughfares spill on to residential streets. NJ Transit is considering improvements to bus service within this neighborhood. NJIT's School of Architecture has been working on developing concepts for "E-stations," which would serve as bus stations employing Intelligent Transportation Systems technology.

Community Development and Service Organizations

Corinthian Housing Development Corporation
Habitat for Humanity
New Community Corporation
International Youth Organization
Salvation Army
United Community Corporation
Avon Avenue Churches Coalition
Tri-City Peoples Corporation
Tri-City Peoples Corporation Health Center
Women's Urban Renewal Development Corporation
16th Avenue Merchants' Association
CREST Community Development Corporation
West Side Village Community Development Corporation
Macedonia Ministries & Community Development Corporation
Community Urban Renewal Enterprise (CURE)
Dove Community Development Corporation
New Visions Community Development Corporation
Newark Community Development Network

Distinguishing Features

West Side Park
Woodland Cemetery

Newark's Economy: Trends and Structure

Over the past decade, Newark has been experiencing an economic renaissance. Jobs are being created in key industries, real estate vacancy rates are falling and a new more positive image of the City is emerging. This section of the report analyzes the trends and changing structure of the City's economy. It begins with a brief description of National, State and Regional trends that provides a context for the Newark analysis.



ECONOMIC TRENDS IN THE UNITED STATES AND IN NEW JERSEY

In the three decades following the end of World War II, the U.S. job base expanded two-fold, increasing from 41.7 million in 1946 to 82.5 million in 1977 for an average annual growth rate of 2.2 percent. Job growth moderated slightly between 1977 and 2000, increasing from 82.5 million to 131.4 million for an average annual growth rate of 2.0 percent (Figure 1).¹

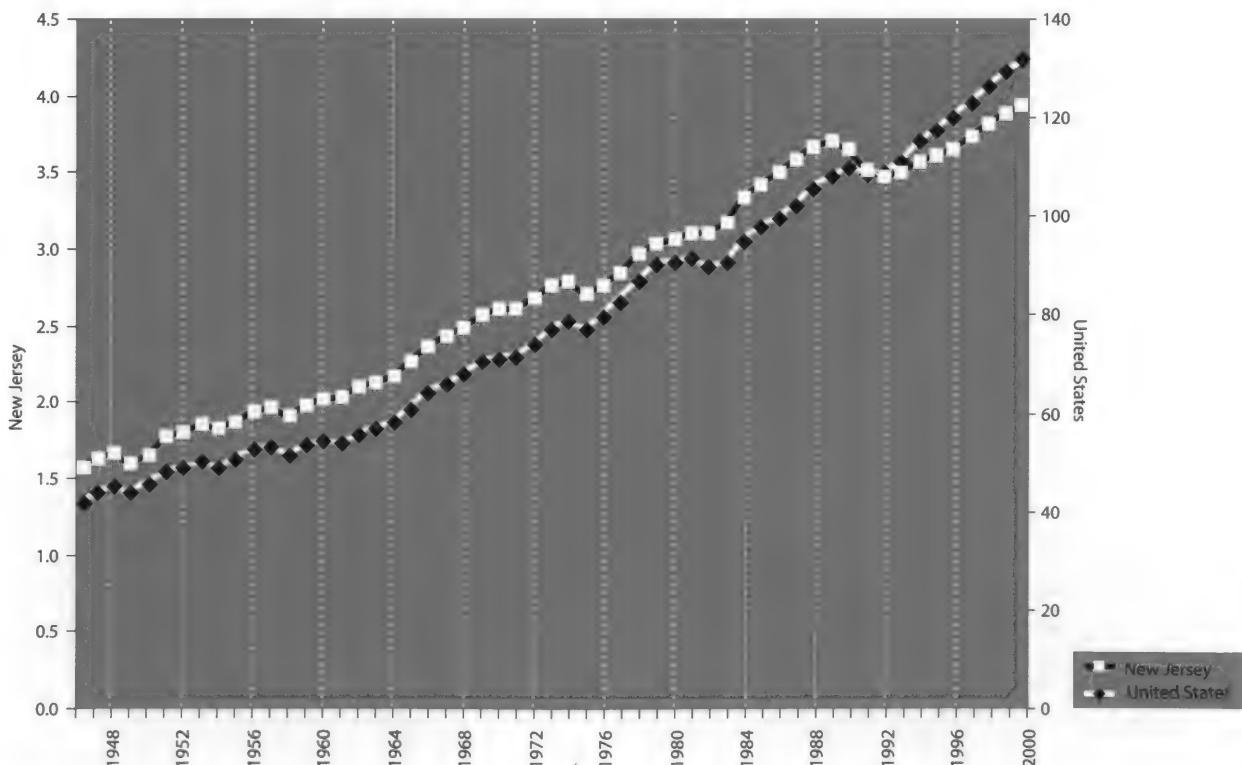
During the 1977–2000 period, the U.S. experienced three recessions: the first in 1980, the second in 1981–1982, and the third in 1990–1991. The recessions of the early 1980's were grounded in the Manufacturing Sector that declined by over 2.6 million jobs (ten percent of the 21 million base) from 1979 through 1983. Manufacturing's decline, and the growth of non-manufacturing industries, resulted in a major restructuring of the U.S. economy. Prior to the 1980 recessions, manufacturing was the largest employer in the nation; starting in 1982, the Service Sector took this predominant position. Service jobs now account for close to a third of total U.S. jobs, while manufacturing accounts for about 14 percent. Trade accounts

for almost 25 percent of jobs; the Construction Sector and the Transportation/Utilities Sectors for about 5 percent each and the Finance, Insurance and Real Estate Sector (FIRE) for 6 percent.

New Jersey, too, experienced substantial job growth and a transformation in its economic structure in the post-World War II period. From 1946 to 1977, the State's employment base increased by 1.3 million jobs, for an average annual growth of 2.1 percent—slightly below the 2.2 percent national annual growth rate. Between 1977 and 2000, the State employment base increased by 1.1 million jobs, but the 1.4 percent average annual growth rate was significantly below the national 2.0 percent.

The recessions of the early 1980's did not affect New Jersey as much as they did the rest of the country. Although manufacturing employment declined during the recession, the State's non-manufacturing sectors either grew through the downturns or recovered quickly.

Figure 1/Non-Agricultural Employment in New Jersey and the United States in Millions, 1946 to 2000



Source: NJ DOL, Trends in Employment and Wages

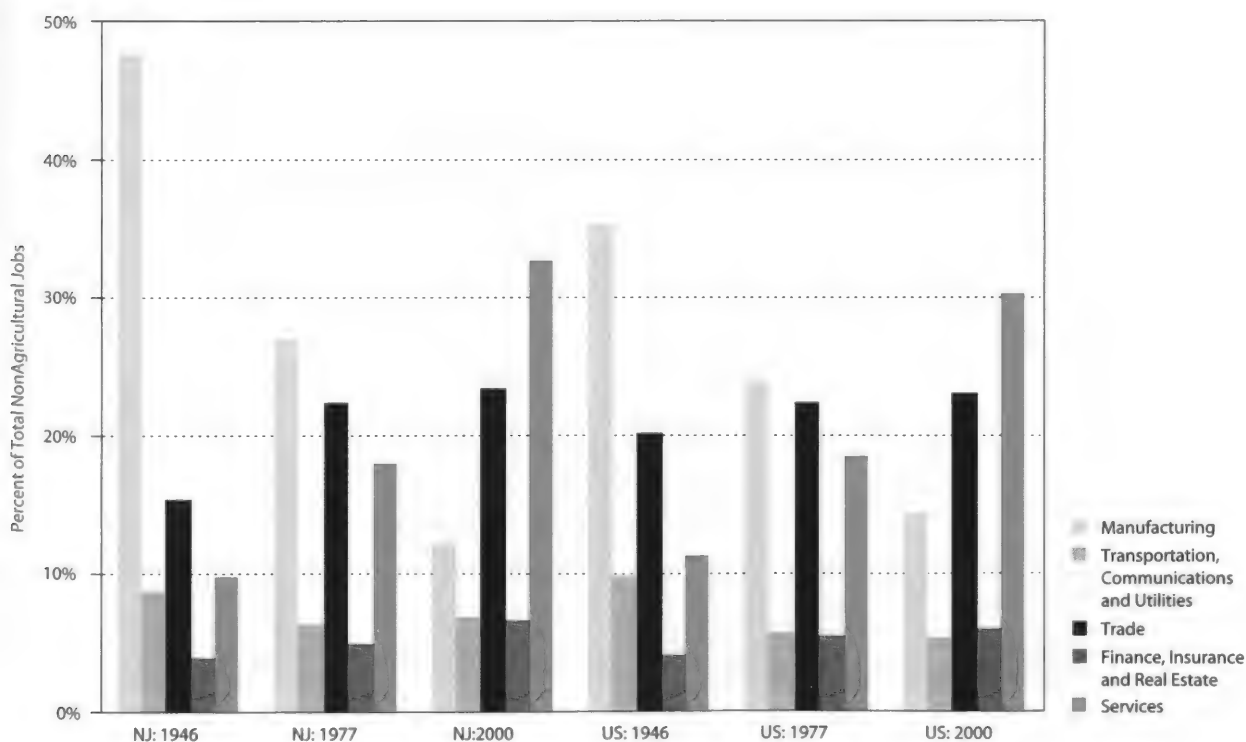
During the mid-1980's, with the exception of manufacturing, New Jersey's economy grew rapidly. In fact, the fast build-up and overexpansion in real estate contributed to the State's slow recovery from the nationwide recession of the early 1990's. That recession began in New Jersey in 1989—a year earlier than in most other parts of the nation—and the decline continued until 1992—a year later than in the nation. During the recession, the State lost over 230,000 jobs, or 6.3 percent of its 1989 employment base. New Jersey's recovery from the recession was slow, lasting until early 1997. Since the beginning of the expansionary period that began in 1997, New Jersey's job base has increased by 230,000, reaching four million in the year 2000.

¹ Most data used in this section are compiled from official statistics published by the N.J. Department of Labor (DOL) and the U.S. Bureau of Labor Statistics (BLS). Additional information was obtained at meetings with focus groups composed of representatives from Newark's major economic sectors (Appendix A provides details on the focus groups). The analysis of the New Jersey and U.S. economies is based on non-agricultural employment data that include private sector and public sector (government) jobs. Job data for municipalities are compiled by the N.J. Department of Labor. They include only private sector jobs covered by unemployment insurance. As of March 2001, the latest data available for municipalities were for 1998. Non-agricultural job data, including private and public sector (government) jobs, are not available for municipalities.

Since the end of World War II, the structure of the State's economy has changed from one in which nearly half of all non-agricultural workers were employed in manufacturing, to one in which just 12 percent of workers hold jobs in this sector. Conversely, from 1946 to 2000, New Jersey's Service Sector increased from 10 percent of total non-agricultural employment to 33 percent, a larger increase than that experienced nationwide (Figure 2). Since 1984, there have been more people working in New Jersey's Service Sector than in its Manufacturing Sector.

In the year 2000, the private industry sectors employing the largest number of workers in New Jersey were Services and Retail Trade, followed by Manufacturing, Wholesale Trade, Transportation/Utilities, and FIRE (Figure 2).

Figure 2/Industrial Structure of New Jersey and the United States, Selected Years and Industries



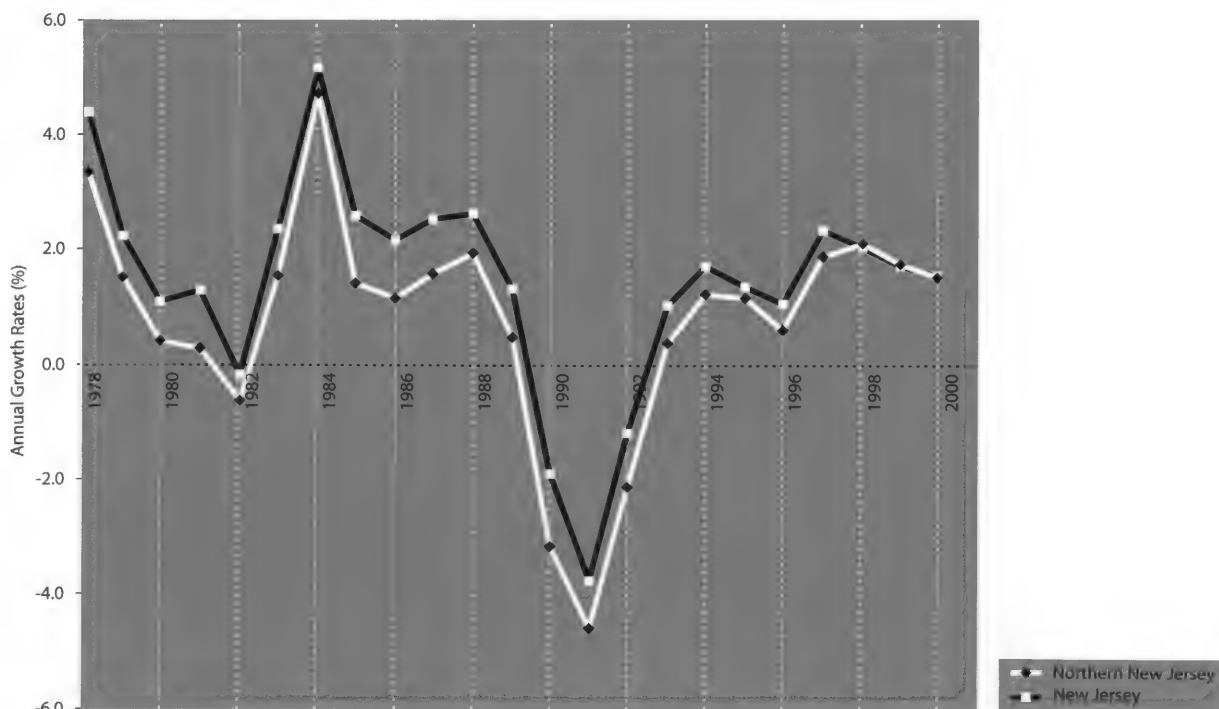
Sources: Economic Indicators, NJ DOL; Economic Report of the President, 2000

ECONOMIC TRENDS IN NORTHERN NEW JERSEY

Newark, the County Seat of Essex County, is located in the Northern New Jersey region. This region has been defined here as the Newark Labor Area (Essex, Morris, Sussex, Union, and Warren Counties), as well as Bergen, Passaic, and Hudson counties (see Map 1, page 4).

Over the past two decades, employment in the Region tended to grow more slowly than in the State. The Region sustained deeper losses than the rest of New Jersey in both the 1980 and 1990 recessions. However, during the past three years, with the exception of Passaic County, employment growth in the Region has matched State job growth rates (Figure 3). The recent increase in the Region has occurred primarily in Business Services and Finance and in Newark's Transportation Sector.

Figure 3/Employment Growth in Northern New Jersey and New Jersey, 1978 to 2000

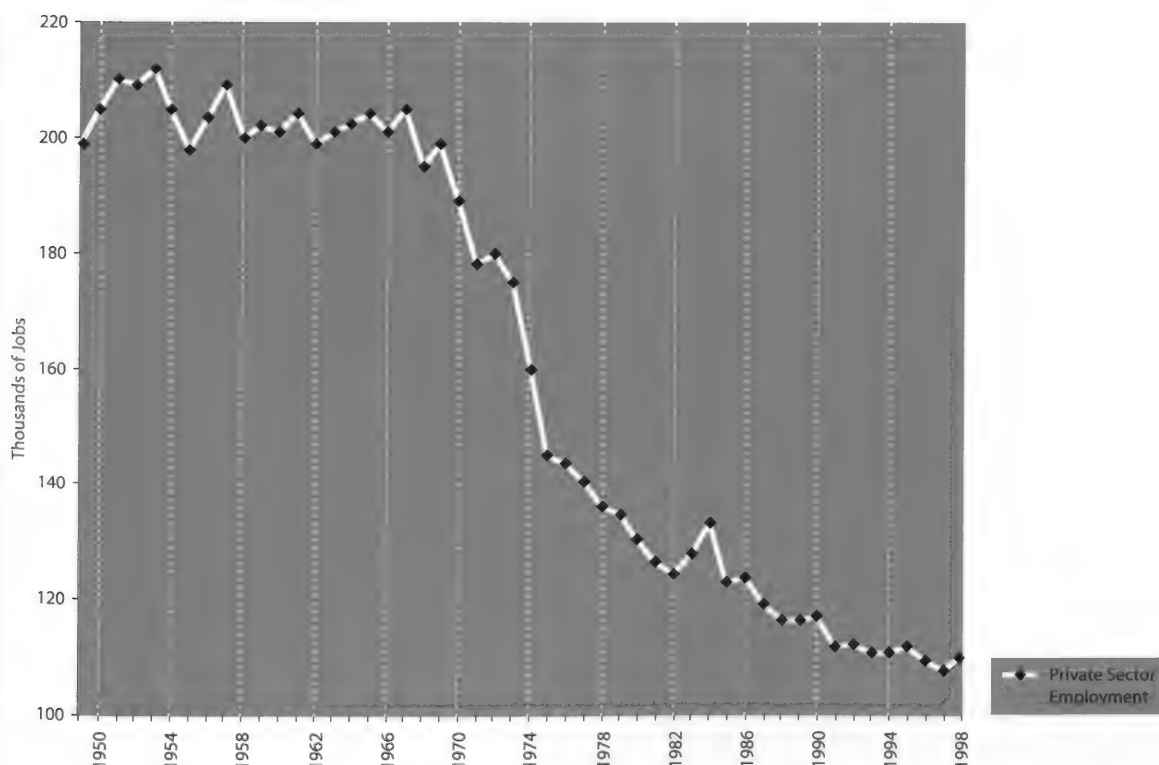


Source: Economic Indicators, NJDOL

ECONOMIC TRENDS IN NEWARK

In the two decades following the end of World War II, while the U.S. and New Jersey economies were growing, many cities in the Nation and State were losing jobs. But Newark's employment base remained relatively stable during this period, and even showed growth in some years (Figure 4). This relatively positive trend ended in 1969 when Newark's economy went into a dramatic tailspin that lasted until the early 1990's. Between 1969 and 1991, Newark's private sector job base dropped by 40 percent, from 196,000 to 112,000. The loss has been attributed to a number of factors including Newark's riots of the late 1960's, deindustrialization, and the pervasive relocation by businesses throughout the U.S. from cities to outlying suburbs and exurbs.

Figure 4/Newark Private Sector Employment, 1949 to 1998

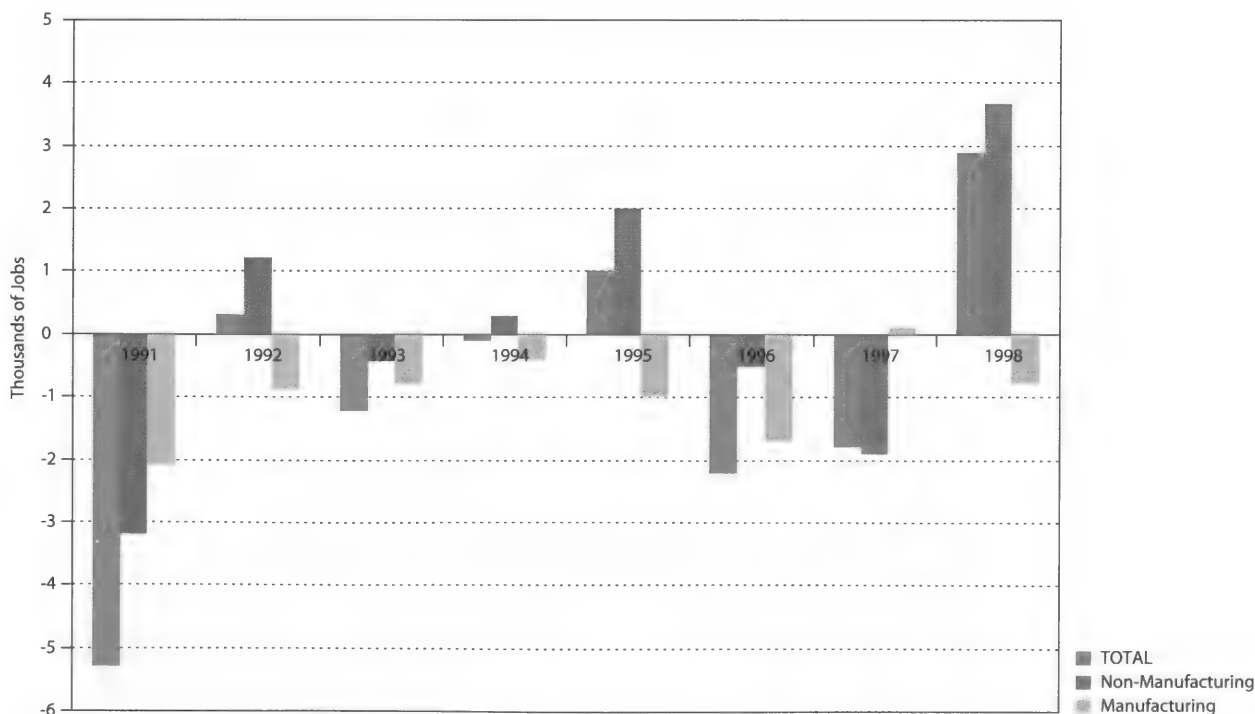


Source: Trends in Employment and Wages, NJ DOL.

Since 1991, reflecting the City's economic revival, job loss has abated. In 1998, there were 110,700 private sector jobs in Newark, marginally below the 1991 level, but above the 1996 total of 109,600. Strong growth in the Transportation Sector has counterbalanced continuing employment declines in the Manufacturing Sector. Toward the end of the 1990's, the job base in Newark's other major sectors also stabilized or showed slight growth. If the Manufacturing Sector is removed from the total, private sector employment in Newark increased slightly in 1998 over 1990, from 93,900 to 95,000 (Figure 5).

Although Newark's share of New Jersey's job base has declined over time, the City continues to be the most significant center of economic activity in the State. Newark companies provide jobs for residents of Newark as well as for residents of the rest of Essex County, Hudson County, and other parts of New Jersey, and for out-of-staters, (Figure 6). In fact, one of the main problems facing Newark is that many of the new jobs being created in the City are going to commuters rather than to Newark residents.

Figure 5/Annual Change in Private Sector Employment in Newark, 1991 to 1998

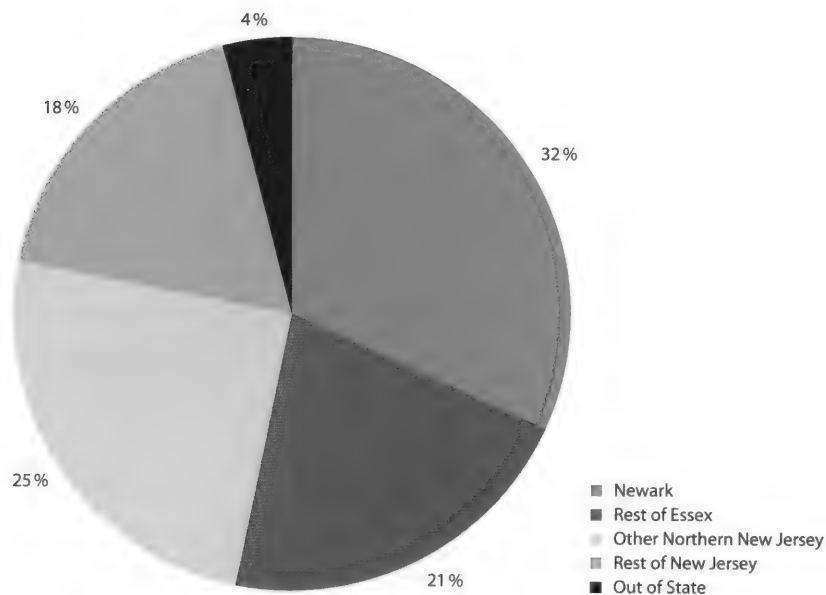


Source: Trends in Employment and Wages, NJDOL

Newark's 110,700 private sector jobs represent more than 1.5 times the 72,400 jobs in Jersey City, the State's next largest employment center. Newark and Jersey City are the two largest of what have historically been referred to as New Jersey's "big six" cities. The other four are Paterson, Elizabeth, Trenton, and Camden. However, as a result of changing business location patterns, several municipalities throughout the State have now surpassed all but Newark and Jersey City in private sector job totals. In 1998, Edison had 69,800 jobs and Atlantic City 62,400. Six other municipalities in New Jersey² had more jobs than Elizabeth's 35,200. In 1998, the "big six" cities collectively accounted for about 9 percent of private sector jobs in the State, compared to 16 percent in 1975.

²The private sector job base in 1998 by municipality was: Paramus (45,900), Hackensack (38,800), Cherry Hill (43,500), Secaucus (38,800), Woodbridge (46,200), and Parsippany-Troy Hills (43,500).

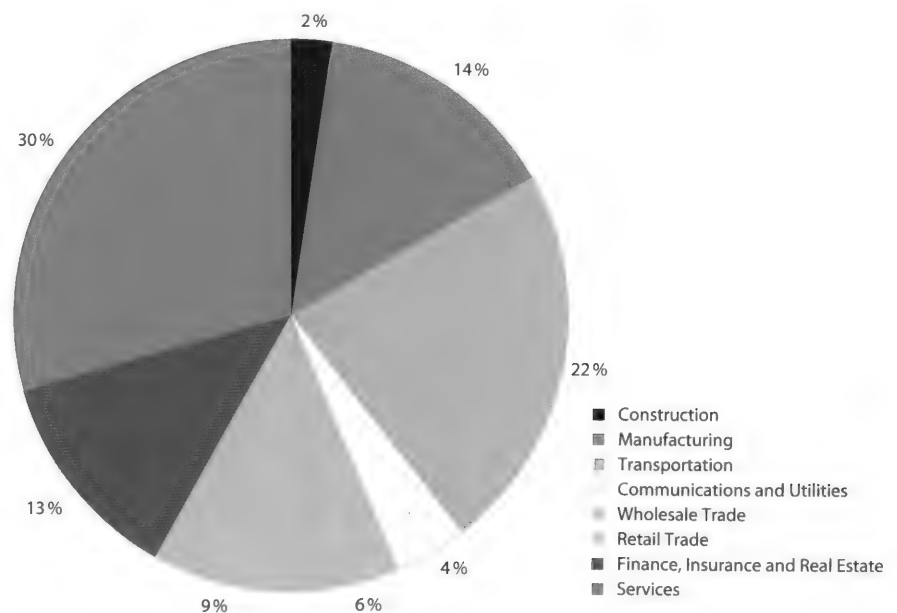
Figure 6/ Place of Residence of Newark's Workforce, 1990 (151,941 Total Workers)



Source: US Census of Population, 1990

Although New Jersey cities are losing job share to outlying suburbs and exurbs, their infrastructure and concentration of resources—both physical and human—still give them a comparative advantage for economic development. This is especially true for Newark, with its excellent transportation and communications infrastructure and its concentration of higher education and health care institutions. The following sections analyze these and other components of Newark's economy. The analysis starts with the Service Sector followed by the Transportation Sector—the two engines of growth in Newark's current economic revival and the two primary job-generating sectors in the City (Figure 7).

Figure 7/Private Sector Employment in Newark, 1998 (Total Private Employment: 110,700)

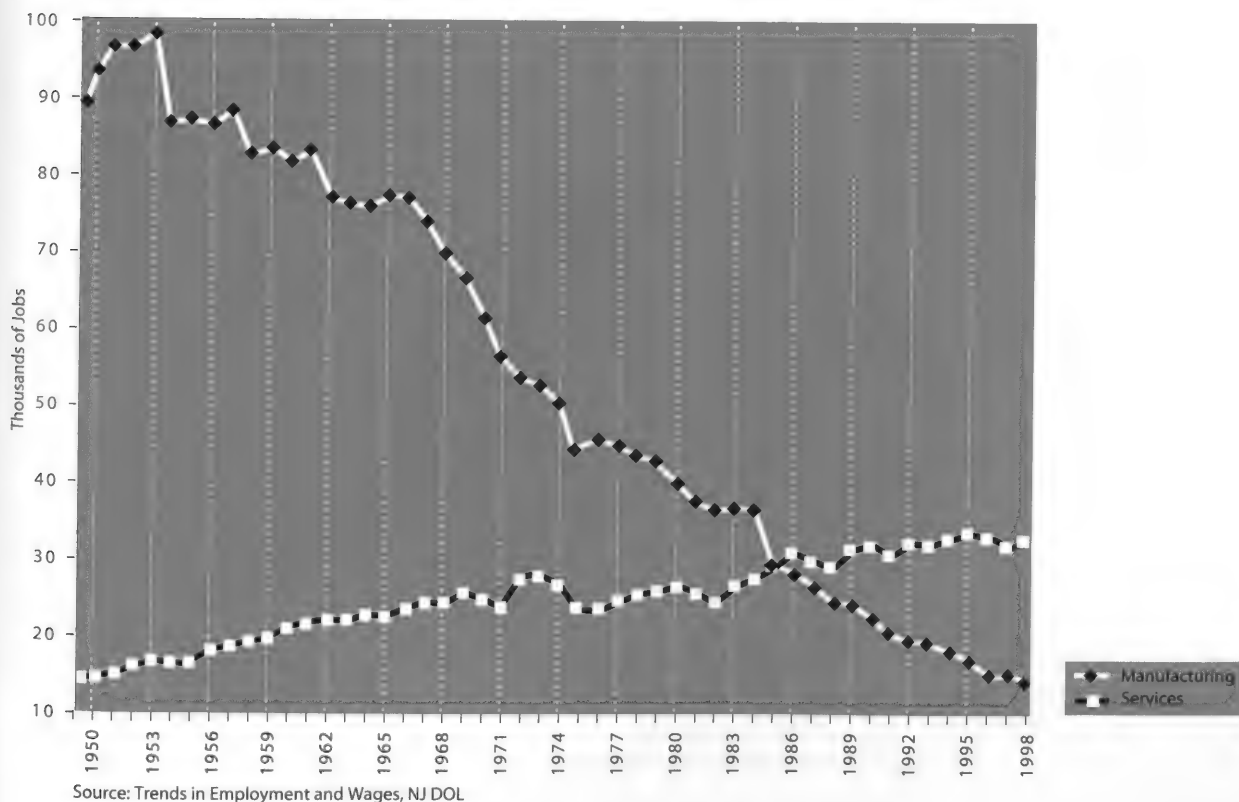


Source: Trends in Employment and Wages, NJ DOL

THE SERVICE SECTOR

Newark's Service Sector encompasses a wide range of industries including Education, Health Services, Entertainment, Hospitality, and Business Services. Although service industries have historically contributed to the City's economic and social vitality, it was not until 1986 that they collectively surpassed manufacturing as the major source of jobs in Newark (Figure 8). The structural change from a manufacturing to a service-based economy is similar to that which has occurred in the Nation, the State and the Northern New Jersey region. In 1998, Services accounted for 32 percent of all private sector jobs in Newark, 35 percent in the Northern New Jersey region and 38 percent in the State.

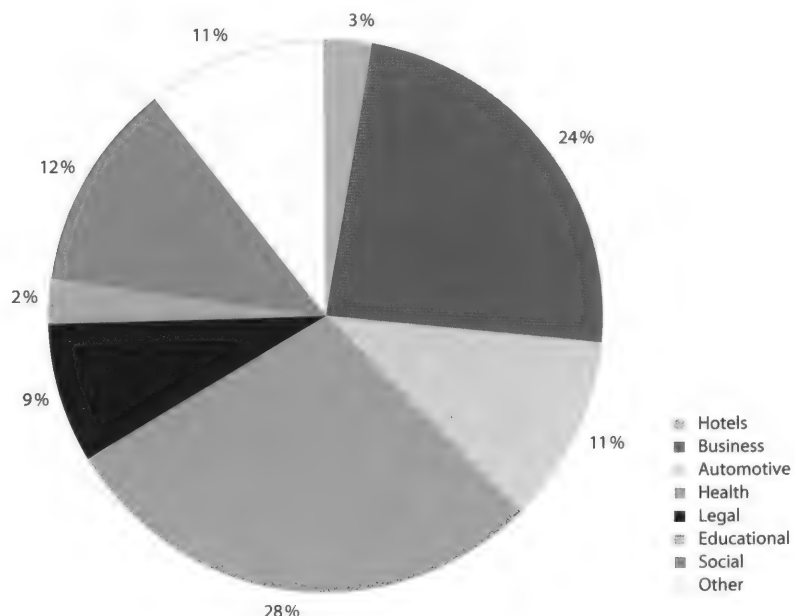
Figure 8/Manufacturing and Service Sector Employment in Newark 1949 to 1998



Within Newark's Service Sector, the Health Services (especially hospitals) and Social Services industries predominate. The Health Services industry is also a major employer in the State accounting for 29 percent of all private sector Service jobs. Social Services, however, only account for 6 percent of all private sector jobs in the State. Most of the Social Service jobs in Newark are generated by non-profit organizations such as New Community Corporation, Catholic Community Services and La Casa de Don Pedro.

While not evident in Figure 9a, educational institutions also play a significant role in Newark's economy. The reason that this is not evident in Figure 9a is that the figure only represents private sector jobs.³ Thus, while employment at Seton Hall Law School is included in the data, jobs generated by Newark's four other higher educational institutions are not. Newark's public higher educational institutions—Rutgers, New Jersey Institute of Technology (NJIT), Essex County College, and the University of Medicine and Dentistry of New Jersey (UMDNJ)—collectively employed close to 12,000 persons in the year 2000. This total is equivalent to more than 10 percent of all private sector jobs in the City. Newark's public schools employed another 10,320 persons in school year 1999/2000⁴ bringing jobs in public educational institutions to more than 22,000, a total equivalent to 20 percent of all private sector jobs in the City.

Figure 9a/Newark Service Sector Employment (Private Sector Only), 1998



Source: Trends in Employment and Wages, NJ DOL

The \$1.6 billion in school construction funds approved for Newark by the State in February 2001⁵ will impact the City's economy by creating jobs and spending throughout the building period. The State money will allow for the construction of 43 schools, 18 of which will be new (8 elementary, 7 elementary/ middle and 3 high schools). Twenty-five buildings will be demolished with new facilities built on the same site. Additions will be made to 29 other Newark public schools. The construction/ rehabilitation of the schools will act as a catalyst to attract new residents to Newark, thereby generating additional purchasing power and retail demand. It is anticipated that the new demand will be a significant factor in the revitalization of retail businesses in Newark's neighborhoods and in the downtown area.

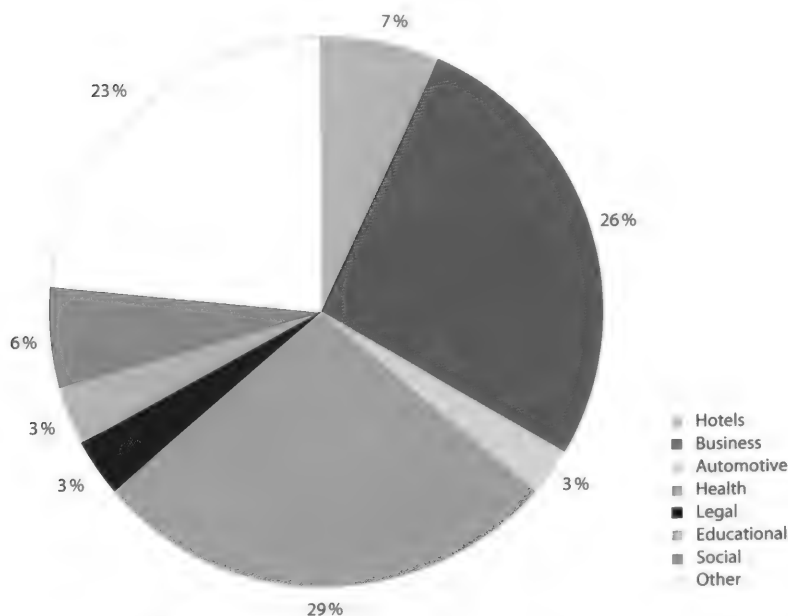
The following sections of this report provide detailed analysis of Newark's Health Services and Higher Educational industries, and of the Hospitality and Entertainment industries, other major contributors to Newark's economic revitalization. The City's other major Service Sector industries—Business and Legal Services—are included in the section of this report covering the Finance, Insurance, and Real Estate Sector.

³See footnote 1 above for explanation of job data source.

⁴Data from Newark Board of Education include full time and per-diem substitute teachers.

⁵The N.J. Education Facilities Construction and Financing Act, signed into law in 2000, provides for \$8.6 billion in public school construction/reconstruction in the State over the next decade. It includes full funding of all school renovation and construction projects in 30 "special needs" school districts (including Newark) known as "Abbott Districts." State funding for the 30 "Abbott Districts" is provided to comply with a decision by the New Jersey Supreme Court (Abbott v. Burke, 149 N.J. 145, 1997) that educational financing and opportunity for students in those districts be placed on par with school facilities and programs available to students in districts throughout the State.

Figure 9b/New Jersey Service Sector Employment (Private Sector Only), 1998



Source: Trends in Employment and Wages, NJ DOL

HEALTH SERVICES AND HIGHER EDUCATION

Health Services and Higher Education are not linked together in official government statistics as an "economic sector." They are linked together in the Newark CEDS because they are often connected within institutions, a major example being University Hospital, which is operated by the University of Medicine and Dentistry of New Jersey (UMDNJ). In addition, there is a geographic link among many of Newark's higher education and health care institutions located in University Heights, a major area of economic renewal in Newark. The area encompasses approximately 1,000 acres bounded by Littleton Avenue, Orange Street, Broad Street, and Springfield Avenue. St. Michael's Medical Center on Dr. Martin Luther King Jr. Boulevard is also included as part of this complex.

The concentration of higher education and health care institutions in Newark provides a foundation for the growth of firms that research, develop, manufacture and supply pharmaceuticals, medical equipment, electronics, industrial equipment and manufacturing systems. Such firms could benefit from proximity to Newark's research institutions and the City's proximity to other such institutions in New York City and the surrounding metropolitan area.

To facilitate technology transfer and job creation, the Council for Higher Education in Newark (CHEN), a consortium of the City's four public higher educational institutions, established the University Heights Science Park in 1994. Through CHEN, a strong spirit of cooperation has developed among the schools, although each institution has maintained its own distinct identity and mission. The CHEN members, who are the presidents and provosts of the four institutions, meet monthly and their staffs cooperate regularly on a number of initiatives.

HIGHER EDUCATION

Newark has, from its beginnings, been home to many institutions of higher education. In 1747 Princeton University opened its doors in Newark as the College of New Jersey, and what is now Kean College was founded in 1855 as the Newark Normal School. Today, there are five institutions of higher education located in the City of which four are public and one, Seton Hall University Law School, is private. As mentioned earlier, Newark's four public higher educational institutions—New Jersey Institute of Technology (NJIT),

University of Medicine and Dentistry of New Jersey (UMDNJ), Rutgers University-Newark Campus, and Essex County College—collectively employed 11,860 persons in the year 2000. Of this total, Rutgers employed 2,581; Essex County College, 1,463; NJIT, 1,288; and UMDNJ, 6,528 (including University Hospital staff). Of the close to 12,000 employees in Newark's four public higher educational institutions, 2,057 (17 percent) reside in the City (Table 3).

To enhance the academic skills of area students and broaden their future career opportunities, the CHEN institutions, either individually or jointly, sponsor numerous pre-college enrichment programs. These programs serve elementary and high school students, including "high achievers" as well as those requiring assistance in basic literacy skills.

The CHEN institutions together have a student body of more than 26,000, and have made investments of more than \$1.25 billion in plant and equipment in Newark. They not only provide job opportunities but also act as an economic development catalyst for the surrounding neighborhood. Including only the construction of major new facilities and additions to existing buildings, the CHEN campuses invested \$408 million in capital improvements during the 1990s.

In addition to their capital investment in Newark, the CHEN institutions contribute to Newark's economy through their purchases of goods and services from businesses located in the City. In the year 2000, CHEN institutions purchased more than \$18 million in goods and services from Newark businesses (Table 4). This represented 15 percent of all CHEN institutional purchases made in New Jersey, a proportion 5 percentage points above the 10 percent reported for 1991. It is anticipated that as Newark's economy continues to grow, CHEN institutions will purchase even more goods and services in the City.

The establishment of Special Vendor programs at each of the CHEN campuses has helped the institutions identify women- and minority-owned businesses and small businesses in order to provide them with opportunities to bid for contracts. In the year 2000, the CHEN campuses purchased \$18.9 million in goods and services from companies in these categories located throughout New Jersey.

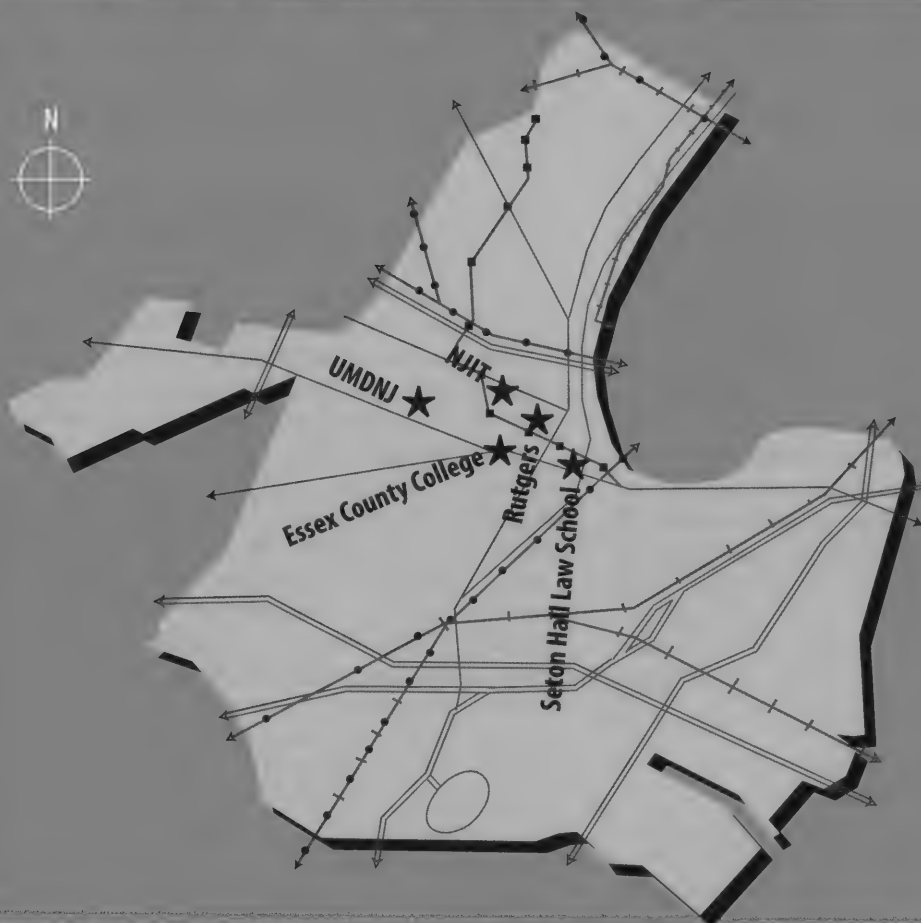


TABLE 3
EMPLOYMENT AND PAYROLL IN NEWARK'S FOUR PUBLIC HIGHER EDUCATION INSTITUTIONS
BY PLACE OF RESIDENCE, 2000

Employee Residence	Number of Employees*	% of Employees	Annual Payroll (thousands of \$)
Newark	2,057	17%	\$48,471
Remainder of Essex County	2,727	23%	\$120,619
Remainder of NJ	6,360	54%	\$278,192
Out of State	716	6%	\$34,524
Total	11,860	100%	\$481,806

*In addition to these employees, several hundred students are employed in part-time positions.

Source: The Council for Higher Education in Newark (CHEN)

TABLE 4
ANNUAL PURCHASES BY CHEN INSTITUTIONS, 2000

Location of Business	Estimated Annual Business Purchases (in thousands of \$)
Newark	\$ 18,562
Remainder of Essex County	\$ 8,962
Remainder of New Jersey	\$ 93,730
Total for New Jersey	\$121,254

Source: The Council for Higher Education in Newark (CHEN)

NEWARK'S HIGHER EDUCATION INSTITUTIONS

Essex County College (ECC) was established in 1966 as a comprehensive community college to meet the educational needs of a diverse population at an affordable cost. The two-year, open admissions institution enables students (primarily residents of Essex County) to pursue degree programs, upgrade job skills, prepare for a career change, or develop personal potential. ECC offers more than 400 credit courses and a wide range of transfer and career programs to more than 8,800 students (in Fall 2000). The College also offers internships, academic support services and cultural activities. The College's main campus in downtown Newark consists of 22 acres featuring a multi-level facility, containing more than 502,000 square feet. Also on campus are the Physical Education Building/day care center complex and the Mary B. Burch Theater for the Performing Arts.

The Newark Campus of Rutgers, the State University of New Jersey, was established in 1946 in the University Heights area of the City. It enrolls 4,061 part-time and 5,291 full-time students (in Fall 2000) at eight schools located at the Newark Campus. Rutgers-Newark offers a full range of undergraduate programs and master's and doctoral level degrees including public administration, law, nursing, management, chemistry and life sciences. Campus resources include the Aidekman Research Center for Molecular and Behavioral Neuroscience Research, the Justice Henry Ackerson Library (serving the School of Law and School of Criminal Justice), the Institute of Jazz Studies, the Joseph Cornwall Center for Metropolitan Studies, the headquarters of the New Jersey Small Business Development Center and the Center for Global Change and Governance. In January 2000, the University completed a new \$50 million Center for Law and Justice which replaced an existing facility at 15 Washington Street. Undergraduate and graduate management programs previously based in New Brunswick were merged with those in Newark, so that the University's center of operations in Newark now encompasses over 150 faculty. Bradley Hall, which houses visual and performing arts programs, recently underwent a \$9 million renovation. New student dormitories built by NJIT opened in September 1997. The dormitories have the capacity to house an additional 300 students, bringing the total number of students who live on campus to 700 Rutgers and 1,200 NJIT students.

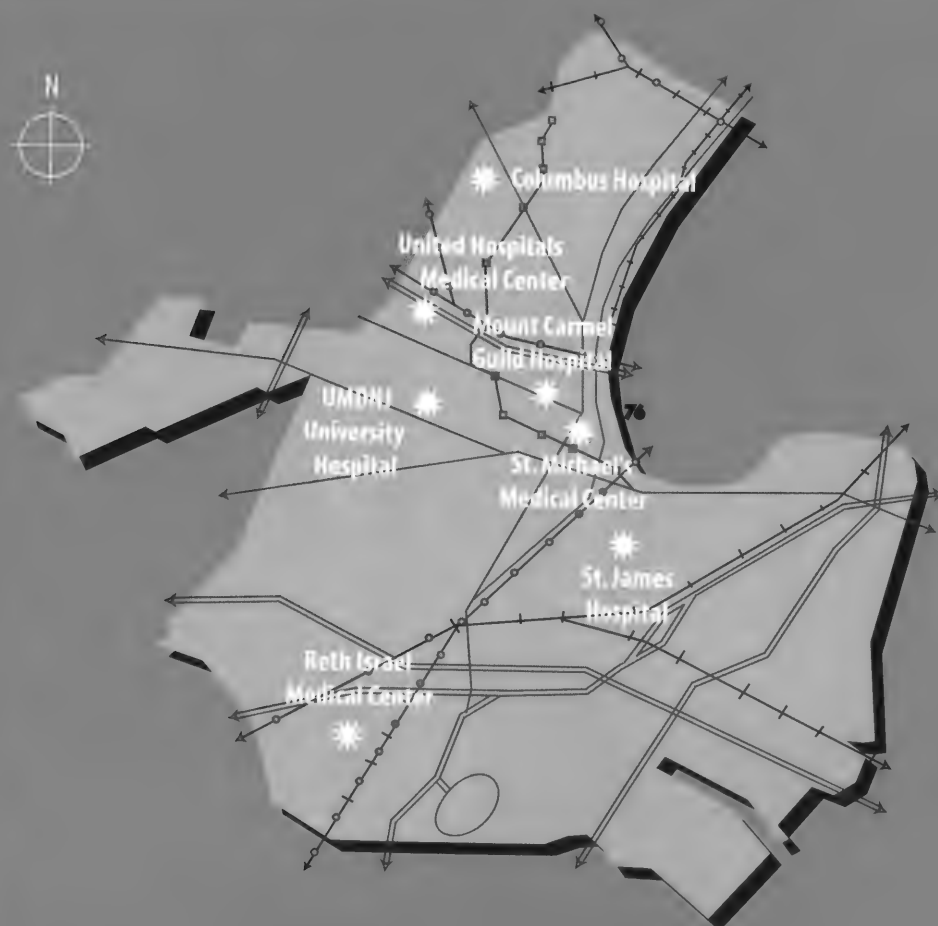
New Jersey Institute of Technology (NJIT) is a public research university that enrolls more than 8,800 students (in Fall 2000) in 18 doctoral, 38 master's degree, and 30 baccalaureate degree programs in engineering, management, architecture, computer science, and biomedical engineering. It was founded in 1881 as the Newark Technical School to meet the needs of industries located in the Newark area. NJIT now includes the Newark College of Engineering, the New Jersey School of Architecture, the College of Science and Liberal Arts, the School of Management, and the Albert Dorman Honors College. In Fall 2001, NJIT will be adding the College of Computing Science. Today as the State's leading technical institution, it occupies nearly 45 acres in the University Heights section of Newark. During the past decade NJIT has undertaken an ambitious development program involving new construction or renovation of campus facilities. More than \$110 million has been spent on 14 projects including the York Center for Environmental Engineering and Science, the William S. Guttenberg Information Technologies Center for Manufacturing Systems, and the Microelectronics Center. Approximately \$42 million annually is being expended on the University's extensive research program that includes initiatives in manufacturing, technology, microelectronics, transportation, computer science, environmental engineering, architecture and building science, and biotechnology.

Seton Hall University Law School consists of a modern 200,000-square-foot facility and library located at One Newark Center on Raymond Boulevard in downtown Newark. In Fall 2000, Seton Hall Law school had 1,129 students enrolled. Many innovative programs have been initiated at the School, including a nationally acclaimed Health Law and Policy Program. The program offers a Master of Law (LLM) degree as well as a Master of Science in Jurisprudence (MSJ) for a wide variety of professionals working in the health care, pharmaceutical or biotechnology industries. Seton Hall Law's MSJ degree program is one of just two in the country and the only such program in the Northeast. The New Jersey State Legislature recently chose Seton Hall as the site for a new Institute for Law and Mental Health designed to research and address current public policy issues.

The University of Medicine and Dentistry of New Jersey (UMDNJ) is dedicated to the education of physicians, dentists, scientists, nurses and other health care professionals and to biomedical research, patient care and community service. Founded in 1970, today it is the nation's largest institution of its kind with eight schools on five campuses and a statewide network of more than 200 educational and health care affiliates. Six of the University's eight schools, as well as the UMDNJ-University Hospital, the Doctors Office Center (a major medical/dental office complex providing outpatient care with University-level expertise) and the University Behavioral HealthCare Program, (a program providing advanced treatment for mental health problems) are located on a 64-acre campus in the University Heights section of Newark. UMDNJ is New Jersey's primary source of continuing and advanced education for health professionals. Ranking among the nation's top research universities, it is a major center for basic biomedical, psychosocial, clinical and public health research.

The University's research activities focus on the State's most urgent health problems. In December 1999, the UMDNJ Board of Trustees approved a University-wide capital construction plan, with \$192 million targeted for projects on the Newark campus. New construction and facility upgrades planned for the Newark campus include a new University Behavioral HealthCare building, expansion of cancer research and treatment facilities, additional research and educational space, and upgrades to University Hospital and Doctors Office Center program areas, among other projects.

Map 13/Newark's Health Care Facilities

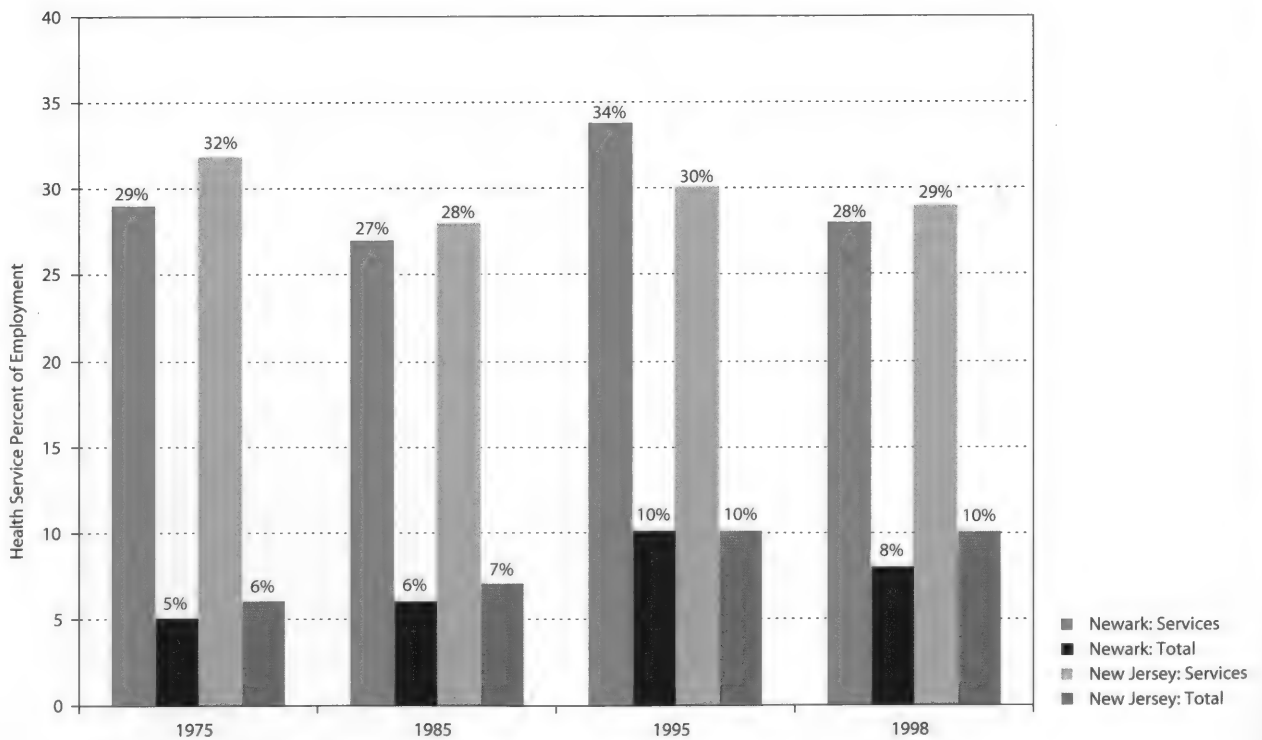


THE HEALTH SERVICES INDUSTRY

During Newark's early years, its Health Services Industry developed at a much slower pace than did its education industry. It was not until the 1860's when a hospital for wounded Civil War soldiers was established, that the City had its first health care facility. Soon after the Civil War ended, three more hospitals were established in Newark: St. Michael's, St. Barnabas and the German Hospital (later called Clara Maass Hospital). The City Hospital was established in 1882, and Babies Hospital in 1896. In the year 2000, there were five hospitals in Newark: Columbus Hospital, Newark Beth Israel Medical Center, St. James's Hospital, St. Michael's Medical Center and the UMDNJ-University Hospital. St. Michael's Medical Center and St. James Hospital are part of the Cathedral HealthCare System which is comprised of these two institutions and the Pope John Paul II Pavilion at Saint Mary's Life Center in Orange.

The Health Services Industry is one of Newark's most significant job generators. It accounts for 28 percent of the City's private sector service jobs and more than one out of every ten private sector jobs (Figure 10). Moreover, when Health Services is expanded to include the thousands of jobs generated by UMDNJ, a public institution, the industry's importance to Newark's economy is even more substantial than Figure 10 would indicate. As explained above in the Education section, UMDNJ jobs are not included in the data underlying Figure 10 because it is a public institution.

Figure 10/Health Services Employment as a Percent of Service Sector and Total Private Employment



Source: Trends in Employment and Wages, NJ DOL

NEWARK'S HOSPITALS

Columbus Hospital is a 210-bed acute care community hospital located in Newark's North Ward. With a medical staff of over 400 physicians, a full scope of services is available including obstetrics, gynecology, pediatrics, medicine, surgery, emergency, ambulatory care and diagnostic testing. The Newark Eye & Ear Infirmary, Pediatric Ocular Trauma Center of NJ, North Essex Imaging and New Jersey Rehab are located on the Hospital campus. Columbus Hospital is affiliated with the Cathedral HealthCare System.

Newark Beth Israel Medical Center, a 669-bed regional care, teaching hospital established in 1901, provides comprehensive health care services to its local communities and is a major referral and treatment center for patients throughout Northern New Jersey. It is home to Children's Hospital of New Jersey, the State's premier children's health facility. In 1996, Newark Beth Israel became an affiliate of the Saint Barnabas Health Care System, the largest integrated health care delivery system in New Jersey.

St. James Hospital is a 189-bed community hospital located in the Ironbound section of Newark. The multilingual staff of 220 physicians brings a broad range of specialties to the facility. The Family Care Center, located on the hospital campus, provides outpatient preventative and diagnostic care and illness management for adults and children. St. James also has a new Mental Health Unit and a new Labor and Delivery Unit.

Saint Michael's Medical Center is a 311-bed regional tertiary care teaching and research center in the heart of Newark's main business and educational district. It is one of three State-recognized Hemophilia Centers. A recently completed \$100 million building and renovation project added a six-story building which houses operating suites, intensive care units, a same-day surgery unit, and an expanded Center for Women's Health. The Hospital is a teaching affiliate of UMDNJ and a number of other institutions.

UMDNJ-University Hospital is the 446-bed teaching hospital of UMDNJ's New Jersey Medical School and supports the largest medical education program in the State. The Hospital is home to the Level I Trauma Center for Northern New Jersey, the Neurological Institute of New Jersey, the State's first liver transplant program, and many other specialized programs. University Hospital also provides health care services to the local Newark community.

THE HOSPITALITY AND ENTERTAINMENT INDUSTRY

Newark's preeminence as a center for culture and recreation was established over 100 years ago with the opening of the Newark Museum and the Public Library, and the design of Branch Brook Park, all of which are still active in the City. Today, catalyzed by the success of the New Jersey Performing Arts Center and the return of the Newark Bears, the City's cultural and recreational institutions are in the vanguard of Newark's economic renaissance. The anticipated construction of a new arena to host the New Jersey Nets and Devils will add still another dimension to the City's already significant hospitality and entertainment sector.

Newark is also home to the New Jersey Historical Society, Symphony Hall, Weequahic Park, and a multitude of historic buildings, churches, and cemeteries. The City maintains thirty-five municipal parks and recreational facilities including an Olympic-size indoor swimming pool. The County of Essex maintains four parks and a roller-skating rink within Newark. Fourteen hotels are located at Newark International Airport and two in the downtown area, the Robert Treat and the Gateway Hilton. It is anticipated that more hotels will be built in the near future. From soul food at Je's on Halsey Street, to Italian Food on Bloomfield Avenue, to Spanish, Brazilian and Portuguese restaurants in the Ironbound area, unique eating establishments are scattered throughout Newark's neighborhoods.

In addition to its cultural and recreational attractions, Newark also has a small but vibrant community of visual artists. Newark has some of the most affordable space in the New York/Northern New Jersey area for artists who wish to remain within commuting range of the Manhattan arts scene. It has several art galleries including City Without Walls, Aljira: A Center for Contemporary Art, The Gallery at NJIT, the Richardson Art Gallery and "The Art Gallery" on Halsey Street. City Without Walls and Aljira provide a range of support services to the artistic community such as graphic design and housing referrals.

The Hospitality and Entertainment Industry, which in official government statistics includes hotels, amusement and recreation, museums, and motion pictures, accounted for about 1,500 jobs or 1.4% percent of all private sector jobs in Newark in 1998. Although this industry generates relatively few jobs compared with other sectors in the City's economy, it has been a driving force in Newark's recent economic revival.

Because of the importance of the Hospitality and Entertainment Industry, the City undertook a telephone survey of representatives of the industry to determine their needs and economic development priorities. Survey respondents suggested a number of initiatives to improve the climate for the Hospitality and Entertainment Industry in Newark. The predominant recommendation was that a Convention and Visitors Bureau (CVB) be set up to promote coordination among Newark's wide range of organizations and individuals in the Hospitality and Entertainment industry in the downtown area and the neighborhoods. Most major U.S. cities have an entity such as a CVB that promotes hospitality and entertainment activities. They are generally set up as non-profits and are funded by contributions from members. Other suggestions by survey respondents included greater focus in the marketing literature on Newark, on neighborhood historical sites and cultural events and the development of a coordinated web site relating to hospitality and entertainment that would incorporate information for the entire City including its neighborhoods.

Map 14/Major Cultural and Historic Sites in Newark



MAJOR MUSEUMS, AND CULTURAL AND HISTORIC SITES IN NEWARK

The New Jersey Performing Arts Center (NJPAC) has garnered national attention in its first four seasons, serving as a model for its programming and audience diversity, education initiatives and the catalytic role it has played in returning nightlife to downtown Newark. Since its 1997 opening, nearly two million people have visited NJPAC's two halls, the 2,700-seat Prudential Hall and the 514-seat Victoria Theater, to enjoy such diverse artists as: the Boston Symphony Orchestra; Yo Yo Ma; Bob Dylan; Lauryn Hill; the Alvin Ailey American Dance Theater; Itzhak Perlman; Sarah Brightman; Sting; the National Song and Dance Company of Mozambique; the Afro-Cuban All-Stars; Melissa Etheridge; Bette Midler; the Chieftains and Diana Krall. The latest initiative at NJPAC is the inauguration of the Lucent Technologies Center for Arts Education that will be home to the Center's comprehensive education program, the fourth largest in the nation for a performing arts center.

Newark Museum provides a wide variety of exhibits, programs and courses. The historic building houses artifacts from all over the world, and maintains a nationally known Tibetan collection. Its Dreyfuss Planetarium utilizes the latest technologies in an elegant and intimate atmosphere, and the Sumei Multidisciplinary Art Center offers an array of programs including workshops for children and adults. The Museum's beautiful and spacious garden contains contemporary sculpture, the Fire Museum and the historic Lyons Farms Schoolhouse. The adjacent Ballantine Mansion, constructed in 1885 for the owners of the world-renowned brewery, was recently restored and is now a part of the Museum.

Newark Public Library, the largest public library in the State of New Jersey, was founded in 1888. Today, the Library has an annual budget of \$12 million, of which 90-95 percent comes from the City of Newark. The main library is on Washington Street in Downtown Newark and its ten branches are located throughout the City's neighborhoods. The Library has computerized many of its services, with funding from the Federal government matched by the City of Newark. Its New Jersey Information Center houses a collection of materials relating to New Jersey, Essex County and Newark.

New Jersey Historical Society presents New Jersey in historical retrospect, featuring galleries, libraries, and educational programs. Organized in 1845, the Historical Society contains the largest repository of collections on New Jersey. During 1997, the Society relocated to the site of the former Essex Club on Park Place, less than a block away from the NJPAC.

Newark Symphony Hall was built in 1925 by the Ancient Order of the Nobles of the Mystic Shrine, a Masonic order known as the Shriners. The four-story building is on the State and National Register of Historic Places and is one of New Jersey's largest performing arts complexes. Symphony Hall houses the acoustically acclaimed 2,800-seat Sarah Vaughan Concert Hall; a 1,000 seat auditorium/banquet space, the Terrace Ballroom; a 220-seat black box theater and a 45-foot-by-70 foot state-of-the-art dance studio. It is the home of Newark's only resident theatre company, African Globe TheatreWorks, and the emerging Parker Music Recording Studio.

The Cathedral Basilica of the Sacred Heart is a classic French Gothic cathedral resembling the great cathedral at Rheims, France. Covering 45,000 feet with towers rising to 323 feet, it is the fifth largest cathedral in North America. During his visit to Newark in 1995, Pope John Paul II granted the Cathedral minor basilica status.

Other tourist attractions include the City's many historic cemeteries such as Mount Pleasant Cemetery founded in 1844 as well as Branch Brook Park and Weequahic Park.

THE TRANSPORTATION SECTOR

Newark's economic destiny has been shaped first and foremost by its strategic location on the Atlantic coast, and by its transportation networks that provide accessibility to the rest of the Region, the Nation, and the world. Newark's transformation in the early 1800's from a sleepy farming community to one of the leading industrial centers in the Nation was driven by the opening of the Morris Canal in 1829 and by the construction of two railroads—the New Jersey Railroad and the Morris and Essex Railroad—that connected Newark to New York, to Philadelphia, and to the rest of the U.S. The opening of Newark Airport in 1928 further enhanced the City's position as a transportation hub.

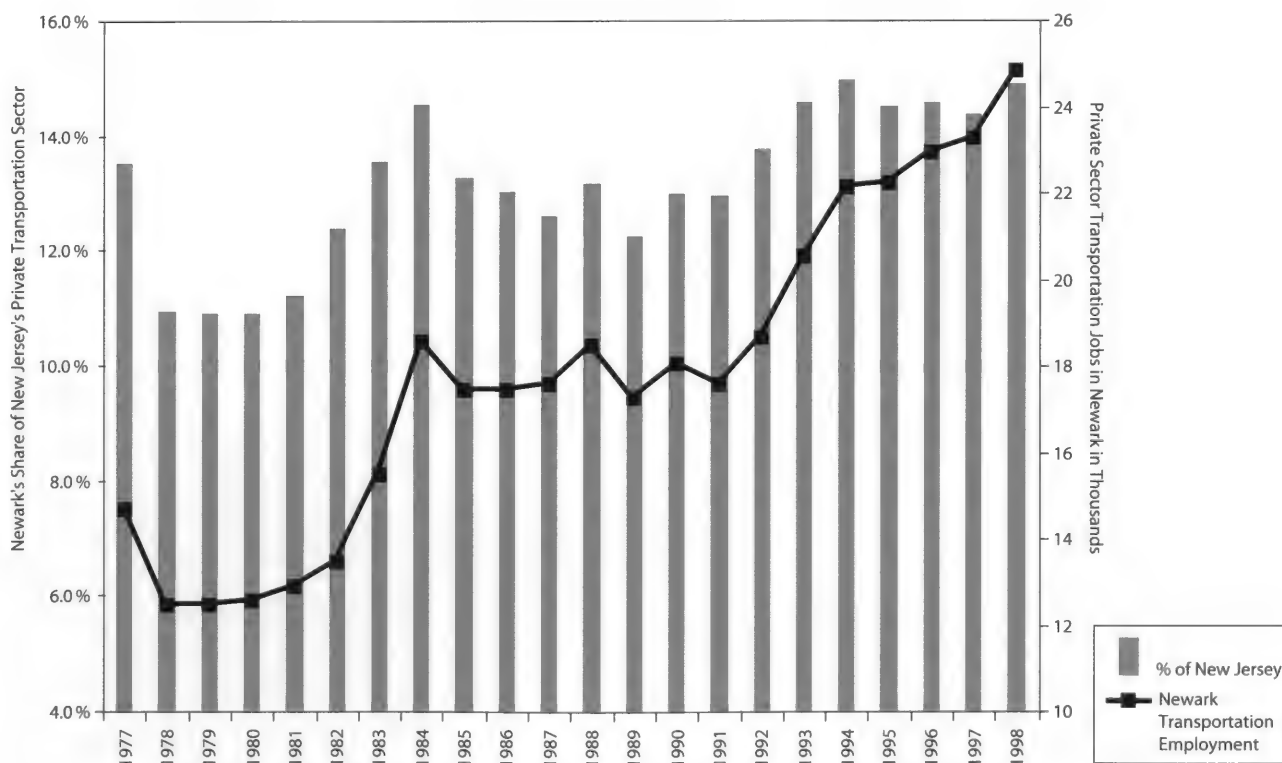
Beginning in the early 1950's, large investments by the Port Authority of New York and New Jersey in Newark International Airport and in Port Elizabeth-Newark resulted in a dramatic improvement in Newark's accessibility to the rest of the Nation and the world. By 1960, more than 2.9 million passengers went through the Newark International Airport; in 1990, about 22 million; and in 1999, more than 33

million, making it one of the world's busiest and most important international air centers.

Primarily due to increased activity at the airport, jobs in the private sector transportation industry in Newark increased from 14,600 in 1975 to 24,800 in 1998 (see Figure 11). It should be noted that this total understates the importance of Newark's Transportation Sector since it excludes public sector jobs such as those generated by New Jersey Transit (NJT). These jobs are counted in the official employment statistics as Government employment rather than Transportation Sector employment.

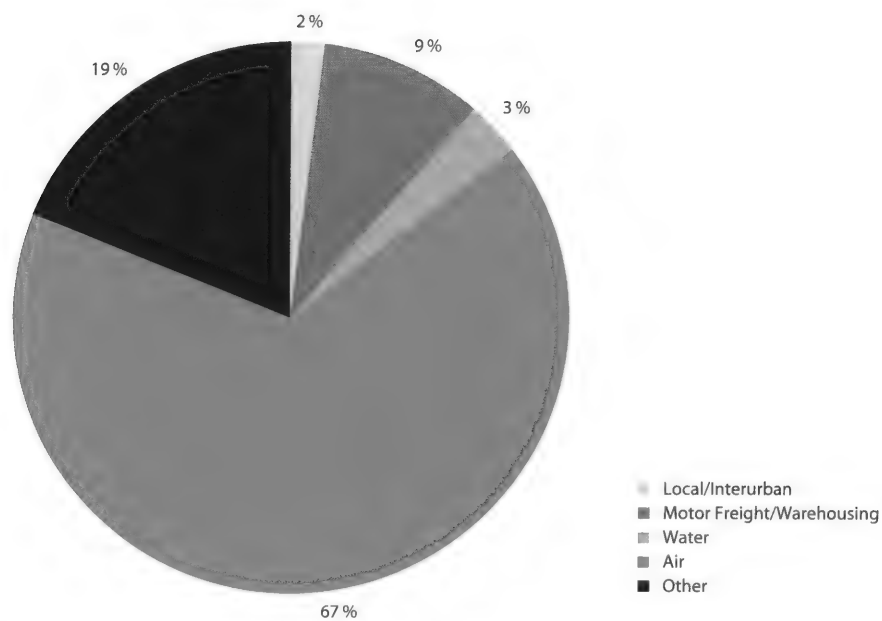
Of Newark's almost 25,000 private sector transportation jobs, 67 percent are in air transportation and 9 percent are in motor transportation and warehousing. The remainder are in other transportation categories such as local and interurban passenger service and water transportation (see Figure 12a). This represents a very different profile than the State where 26 percent are in air transportation, while 37 percent are in motor transportation and warehousing (see Figure 12b).

Figure 11/Private Sector Transportation Employment in Newark, 1977 to 1998



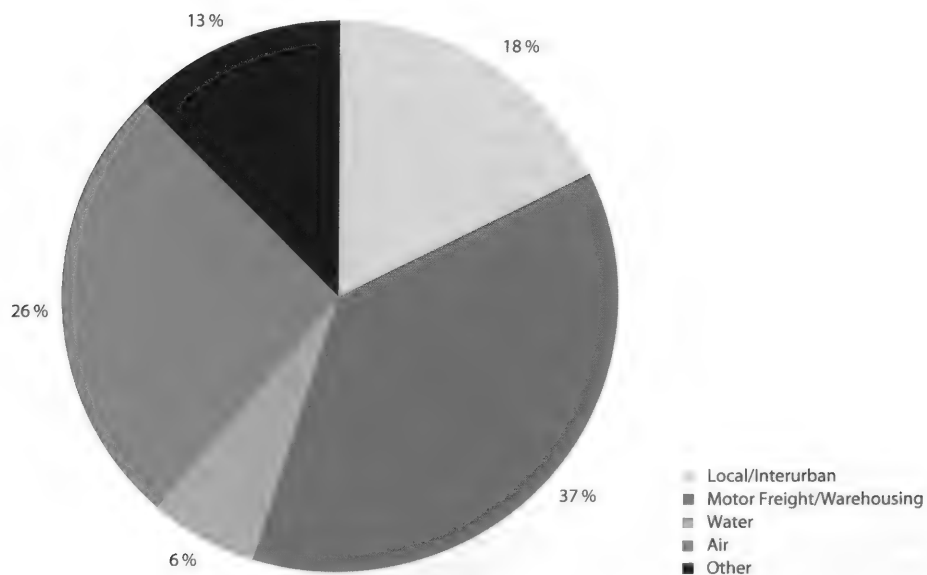
Source: Trends in Employment and Wages, NJ DOL

Figure 12a/Private Sector Transportation Employment in Newark, 1998



Source: Trends in Employment and Wages, NJ DOL

Figure 12b/Private Sector Transportation Employment in New Jersey, 1998



Source: Trends in Employment and Wages, NJ DOL

AIR TRANSPORTATION FACILITIES

Newark International Airport (EWR), with its three passenger terminals (A, B & C) and its extensive cargo handling facilities, is the region's fastest growing airport as a result of a multi-million dollar redevelopment program that is well on its way to completion. Terminal A's modernization program, to date, includes a \$20 million expansion and renovation program by American Airlines to improve passenger services (partially funded by \$17 million from New Jersey Economic Development Authority). Additional work on Terminal A, which began in 1999, will include improvements to its basic infrastructure. Most of Terminal B's modernization was completed in 1999. Its international arrivals facility is now equipped to handle up to 3,000 arriving passengers per hour. Continental Airlines is the sole occupant of Terminal C, which was completed in 1988. In 1998, Continental launched its Global Gateway Project that includes construction of a 325,000-square-foot Terminal concourse. Continental is the largest private sector employer in the City of Newark.

Service on Newark International Airport's \$345 million monorail began in May 1996, and now operates 24 hours a day. The fully automated, driverless trains cruise at 27 miles per hour in both directions on the 1.9-mile rail system, eliminating the need to circle the airport when changing terminals. Each train consists of six cars that together have a maximum capacity of 78 passengers. The Port Authority and New Jersey Transit are constructing a new Northeast Corridor Station that will connect Newark International Airport's monorail with New Jersey Transit's rail service. In January 1998, New Jersey Transit solicited proposals for final design of the first operable segment of the Newark-Elizabeth Rail Link (NERL) connecting Newark's Broad Street Station, the New Jersey Performing Arts Center and Penn Station Newark. The second operable segment will connect Penn Station Newark with the Airport Rail Station at Waverly Yards. A third phase will extend NERL from the airport to downtown Elizabeth.

The growth of the Airport has contributed to Newark's economic revitalization and to employment opportunities for City residents. In 2000, Newark residents accounted for 13 percent of the more than 24,000 employees at Newark Airport. Several workforce development initiatives have been undertaken to increase the number of Newark residents working at the Airport. For example, the Council for Airport Opportunity (CAO), a collaborative effort between the Port Authority and the Airlines, refers Newark

area residents to Newark International Airport employers. During 1999, CAO placed 1,205 candidates in jobs with employers throughout the region, of whom 648 (54 percent) were Newark residents. In recent years the CAO, in cooperation with the Mayor's Office of Employment and Training, also sponsored participants in the Summer Youth Employment and Training Program and, utilizing a Job/Training and Partnership Act (JTPA) grant, trained 100 Newark residents for customer service positions.

The Port Authority, through its Office of Business and Job Opportunity, also takes an active role in ensuring that Newark-based businesses get a part of the construction activity at Newark Airport and Port Newark-Elizabeth. From its office location in downtown Newark, Port Authority staff reach out to area businesses apprising them of contract opportunities with the organization. Sponsorship of the Senator Lipman Business Seminar Series and BIZTECH are two of the more successful ongoing outreach/informational events. Newark businesses have obtained 746 contracts totaling in excess of \$95 million over the past five years.

FREIGHT AND CARGO TRANSPORTATION

Freight forwarders, shippers and consolidators are major employers in Newark, accounting for 11 percent of all private sector transportation jobs in 1998. For trucking companies, Newark is an ideal location because of its access to import and export cargo from the Port and Newark Airport. At the Airport, multi-tenant cargo buildings with hundreds of thousands of square feet have been constructed in the last few years. FedEx completed a \$60 million expansion at its Newark Regional Hub Cargo Complex in 1995. Plans are under way for additional improvements in the North area of Newark Airport, the main area for freight and cargo transportation. Both United and Continental Airlines are constructing state-of-the-art cargo handling facilities; Continental is also constructing a wide-body aircraft maintenance facility.

Many Newark industrial properties still maintain rail spurs, which are considered an extremely valuable resource. Freight lines are maintained by Norfolk Southern and CSX railroads who operate major rail yards and service on-dock intermodal facilities for ship-to-rail container transfer.

WATER TRANSPORTATION FACILITIES

The 2,184 acre Port Newark-Elizabeth seaport complex is a major center of commerce located on the eastern shore of Newark Bay in Essex and Union Counties and situated in the center of the largest regional market in the nation. Opened as a marine facility in 1915, Port Newark is located on Newark Bay and is bordered by the New Jersey Turnpike on the north and west and by Port Elizabeth on the south. It is adjacent to Newark International Airport and is part of the Port District, which comprises an area of about 1,500 square miles in New York and New Jersey.

Operated by the Port Authority of New York and New Jersey, Port Newark-Elizabeth is one of the nation's largest ports in terms of total tonnage and dollar value of freight hauled. Port Newark-Elizabeth accounts for more than 75 percent of the total tonnage that moves through the New York Harbor. Given the growth in international cargo activity, new longshoremen were hired in the year 2000 for the first time in decades to meet growing workforce demands.

Port Newark contains about 950 acres including wharves, deep water ship berths, and three million square feet of distribution buildings. It features a wall-board manufacturing plant, scrap-metal terminals, a cement terminal, a bulk-liquid handling facility for the warehousing of refined and edible grades of fats and oils, a high-tech copper rod production plant, two orange juice concentrate storage and blending facilities, and two auto preparation centers with nearly 200 acres for automobile storage.

Port Newark became the birthplace of containerization when, on April 26, 1956, the *Ideal X* sailed from Port Newark to Houston with fifty-eight, 33-foot tractor-trailer containers strapped to its deck. This efficient, cost-effective concept began a new era in marine cargo handling. Today, the Port is one of the largest containerized cargo-handling facilities in the United States and one of the major entry points for goods coming into the New York Metropolitan Area. Port Newark Container Terminal (PNCT), a joint venture of a world-class shipping company P&O Ports and P&O Nedlloyd, recently signed a 30-year lease for the 158-acre marine terminal in Port Newark. PNCT will make a \$150 million investment in the facility.

In the year 2000, the Port Authority of New York and New Jersey released a report, "Building a 21st Century Port" that describes the new investments that will be required to meet growing international cargo demand. The report projected that the Port's volume will double in 10 years and more than quadruple over the next 40 years. Meeting this growing demand will require maximizing the full potential of marine terminal facilities like Port Newark and, where possible, adding new facilities. The Port Authority of New York and New Jersey plans to invest over \$160 million in Port Newark over the next 5 years. With the projected growth in cargo movement, jobs at the Port could more than double over the next 40 years.

In 1997, approximately 4,600 persons were employed at Port Newark-Port Elizabeth, of whom approximately 11 percent were Newark residents. To increase the employment of Newark residents at the Port, the Port Authority, along with Essex and Union County Colleges, provides job training services at the Port Newark-Elizabeth Marine Terminals. The JobsPort Educational Institute provides on-site training services to companies and their employees based at the Marine Terminals. Since its inception in 1994, JobsPort has run 16 training programs and trained over 200 participants, many of whom are Newark residents.

The Port, including the area that is in the City of Elizabeth, is one of the eight neighborhoods included in Newark's Enterprise Community (see Appendix C for description of the Newark Enterprise Community). Elizabeth's Jersey Garden Mall complex has converted a 200-acre landfill into a 250-store retail center. Material dredged from the Port's berths and channels was used to rehabilitate the site. The economic activity generated by the mall and the "big box" retailers surrounding it (Ikea, Toys-R-Us) is providing job opportunities for Newark residents.

THE MANUFACTURING SECTOR AND WAREHOUSING

Newark's manufacturing base fell by more than 50 percent from 1953 to 1975, from 85,000 to 44,300 jobs. In 1986, when manufacturing employment had declined to 29,000, the Service Sector replaced the Manufacturing Sector as the primary employer in Newark. By 1998, the number of manufacturing jobs in Newark had dropped to 15,700—more than 80 percent below the 1953 level.

The decline in manufacturing jobs in Newark is consistent with trends throughout the U.S., New Jersey, and the Northern New Jersey region. In New Jersey in 1949, there were 703,830 manufacturing jobs representing 58 percent of all private sector jobs in the State; by 1998, the number of manufacturing jobs in the State had declined to 476,067 representing 15 percent of all private sector employment (Figure 13).

Although the Manufacturing Sector is no longer the economic engine driving Newark's economy, it is still the third largest job generating sector in Newark, accounting for 14 percent of all private sector jobs in the City in 1998. All industrial buildings in Newark provide more than 51 million square feet of space (Table 5).

Figure 13/Manufacturing Share of Private Sector Employment in Newark, NJ and the U.S., 1949 and 1998

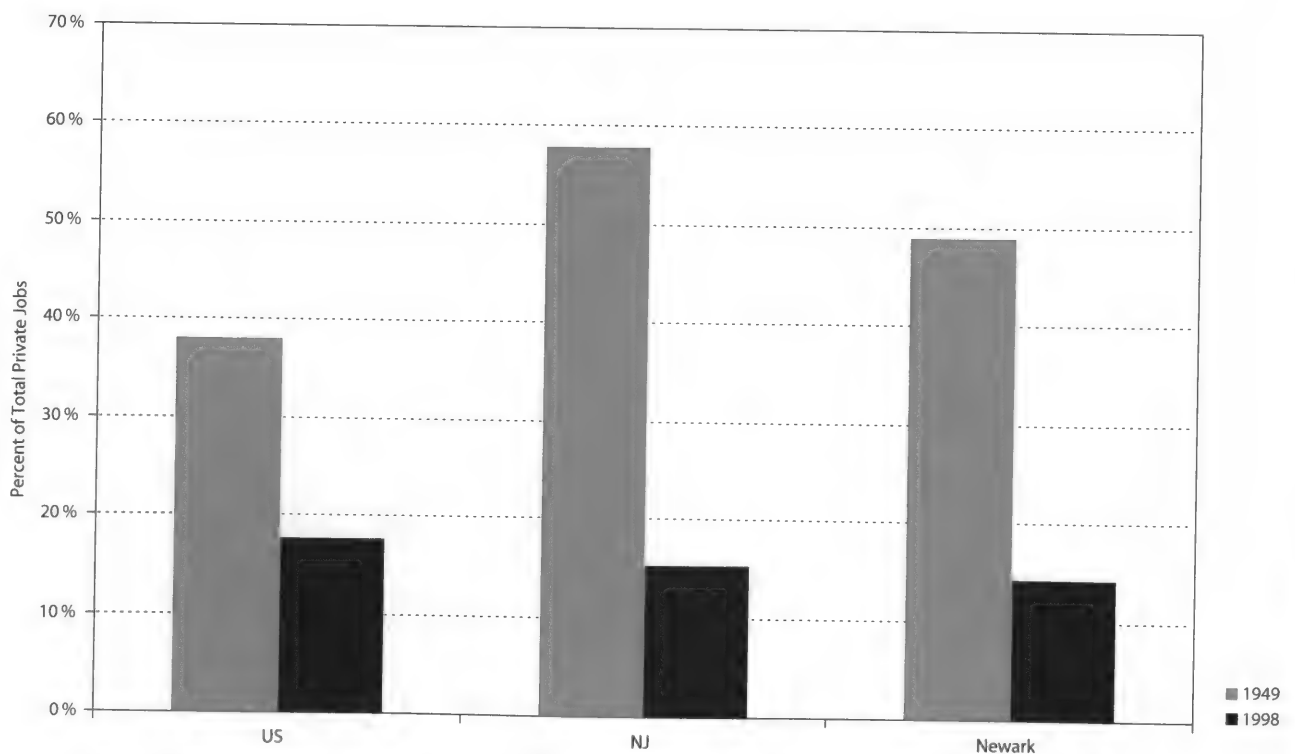


TABLE 5

SELECT INDUSTRIAL BUILDINGS IN THE CITY OF NEWARK, 2001*

Name	Address	Size Square Feet
373 5th Street	373 5th Street	17,455
414 Avenue P	414 Avenue P	155,000
717 Broadway	717 Broadway	32,500
309-321 Central Avenue	309-321 Central Avenue	24,000
571 Central Avenue	571 Central Avenue	40,000
Conrad Hanovia	100 Chestnut Street	167,103
121-127 Christie Street	121-127 Christie Street	85,181
Building 305	305 Craneway	80,000
601 Doremus Avenue	601 Doremus Avenue	1,023,320
Toys "R" Us Distribution Center	888 Doremus Avenue	493,405
254 Elizabeth Avenue	254 Elizabeth Avenue	220,000
320 Elizabeth Avenue	320 Elizabeth Avenue	250,000
39 Ester Street	39 Ester Street	25,000
199 Fabyan Place	191-199 Fabyan Place	90,000
50 Fenwick Street	50 Fenwick Street	33,000
Ironbound Industrial Park	Ferry Street	1,100,000
Ironbound Industrial Park	347 Ferry Street	177,500
Newark Industrial Plaza	436 Ferry Street	25,500
528 Ferry Street	528 Ferry Street	52,000
77-92 Frelinghuysen Avenue	77-92 Frelinghuysen Avenue	45,000
108-123 Frelinghuysen Building	108-123 Frelinghuysen Avenue	85,000
157-161 Frelinghuysen Avenue	157-161 Frelinghuysen Avenue	18,750
237-267 Frelinghuysen Avenue	237-267 Frelinghuysen Avenue	75,000
327 Frelinghuysen Avenue	327 Frelinghuysen Avenue	25,000
410 Frelinghuysen Avenue	410 Frelinghuysen Avenue	110,000
620 Frelinghuysen Avenue	620 Frelinghuysen Avenue	25,000
810 Frelinghuysen Avenue	810 Frelinghuysen Avenue	174,240
McClennen Distribution	896 Frelinghuysen Avenue	85,000
926 Frelinghuysen Avenue	926 Frelinghuysen Avenue	55,000
KEM Terminal	185 Foundry Street	42,000
Dynatron	27 Haynes Avenue	25,000
27 Haynes Avenue	27 Haynes Avenue	74,000
International Way	International Way	56,560
282-288 Jefferson Street	50 Malvern Street	32,346
212 Magazine Street	212 Magazine Street	43,464
1271 McCarter Highway	1271 McCarter Highway	20,000
220 Murray Street	220 Murray Street	44,000
18 Oliver Street	18 Oliver street	25,000
Former Westinghouse Building	95 Orange Street	450,000
222 Pacific Street	222 Pacific Street	39,000
Frey Chemical Company	29 Riverside Avenue	45,000
Hellis Fashions	Rome Street	130,000
Hellis Fashions	125 Saint Charles Street	150,000
150 Saint Charles Street	150 Saint Charles Street	175,000
242-256 Sherman Avenue	242-256 Sherman Avenue	40,000
272 Sherman Avenue	272 Sherman Avenue	110,000
310 Sherman Avenue	310 Sherman Avenue	40,000
356 Thomas Street	356 Thomas Street	80,825
Liberty Optical	380 Verona Avenue	65,000
Total		6,476,149

* Facilities over 15,000 square feet.

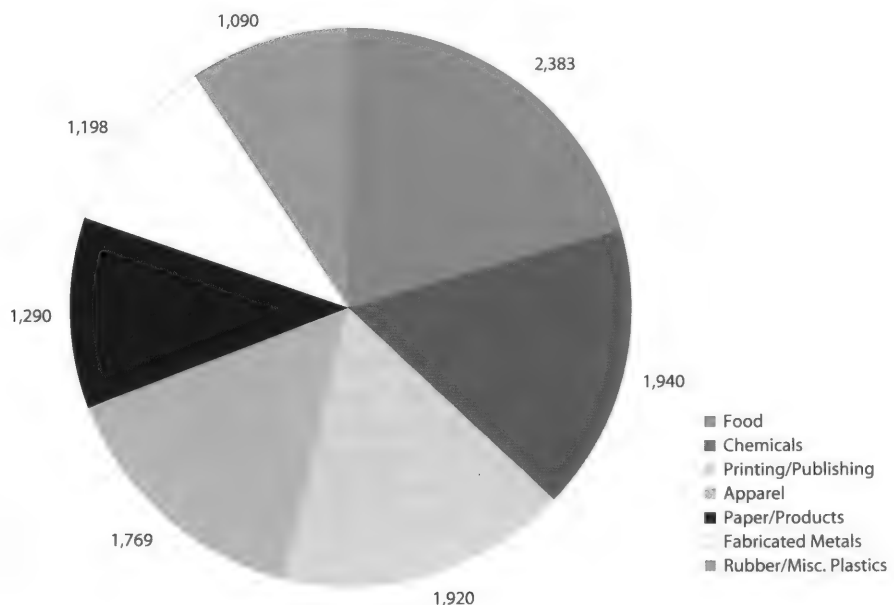
Manufacturers who have remained in Newark have stayed for several reasons. Many of them own or have long-term leases on property and facilities and have made significant investments in them. Some have found a niche for their services, such as providing special-order chemicals for the numerous biotechnology and high-tech companies in northern New Jersey. All take advantage of Newark's vast transportation network, which facilitates distribution of their products, and of the proximity to the City's CBD, which offers close-by business and legal services.

Manufacturers who have remained in Newark are smaller than those that predominated in earlier years. The average number of jobs of Newark manufacturing companies in 1998 stood at 34 compared to 45 in 1975. They also tend to be more dependent on a well-educated workforce familiar with computers and chemistry, or other technology. A significant proportion of jobs classified in official government statistics as "Manufacturing" are, in fact, white-collar jobs rather than on-floor, blue-collar jobs which continue to

decline in number and as a proportion of total company staff. Moreover, manufacturers are generally trying to "do more, with less," and through computerization and mechanization are cutting labor costs as much as possible. This is one reason why manufacturing is unlikely to generate low- and even moderate-skilled blue-collar jobs in the future.

Only a few of Newark's remaining manufacturing industries employ over 1,000 workers. They are (from largest to smallest): food products, chemicals, printing and publishing, apparel, paper and paper products, fabricated metal product and rubber products (see Figure 14). This is quite different from the Manufacturing Sector in Newark as recently as 1975, when most of these industries accounted for over 4,500 jobs each.

Figure 14/Manufacturing Industries in Newark with over 1,000 Jobs 1998 (Total Manufacturing Jobs: 10,000)



Source: Trends in Employment and Wages, NJ DOL

NEW MANUFACTURING DEVELOPMENTS UNDER WAY OR PLANNED IN NEWARK

Recent focus by the City on its Manufacturing Sector has resulted in new activity. For example, Mitzi International and Air Filters Division of Ply-Gem Industries relocated to Newark and occupies 500,000 square feet at the former Art-Metal industrial site on McCarter Highway. The Bond Adhesives Company was able to continue operations in Newark with the help of the Newark Economic Development Corporation (NEDC) and the New Jersey Economic Development Authority. The former Ballantine Brewery complex has recently been converted into space for small-scale light-manufacturing firms, ranging from apparel companies, to trailer storage firms, to a peanut exporter.

To stimulate future private investment in new industrial space, NEDC acted as developer for a 100,000 square-foot modern industrial building known as the South Ward Industrial Park (SWIP). Additional industrial building sites (SWIP II and III) are attracting private developer attention. In addition to SWIP, the area will include 100 new town homes. SWIP is located on Hawthorne Avenue and Bergen Street and is in Newark's Enterprise Community (see Appendix C). Total project cost is estimated at \$9 million.

WAREHOUSING

In recent years, the demand for warehouse space in the Newark area has been growing. Port Newark-Elizabeth will most likely demolish some warehouses to make room for increased container space. Warehouse facilities will be relocated to existing Port warehouses, and possibly to other locations within Newark. However, much of the warehousing that took place in Northern New Jersey is now being relocated to the southern part of the State (around exit 8A on the New Jersey Turnpike) where land is available and less expensive than in the northern areas.

MAJOR INDUSTRIAL AND WATERFRONT SITES

The Ironbound section of Newark is a primary location of manufacturing establishments in Newark, as are the Airport and Port areas. Manufacturing companies are also located in a number of Newark neighborhoods including Mt. Pleasant/Lower Broadway, North Broadway, and Lower Roseville.

Industrial properties throughout Newark are privately owned and City-owned. City properties perhaps have a greater potential for redevelopment because of State and Federal funding available to Newark for environmental cleanup. The filling of wetlands along Newark Bay and the long history of heavy manufacturing uses in the area (especially chemicals and metal products), led to significant contamination of the groundwater under most of East Newark. Soil contamination is also present in these areas. To address this problem, from 1996 to 1999, Newark conducted a Brownfields Assessment project, which made additional assistance available to owners and developers interested in removing obstacles to redeveloping contaminated properties (known as Brownfields).

The City of Newark is also the recipient of Hazardous Site Discharge Remediation Fund grants from the State of New Jersey to complete site assessments of City-owned land. Since 1994, Newark has received \$1.9 million in grants. Private property owners, especially larger national corporate owners, are engaged in site assessment and remediation work where obsolete facilities have been demolished. The City and NEDC are actively engaged in discussions with private site owners to return more than 100 acres of Brownfield sites to productive reuse.

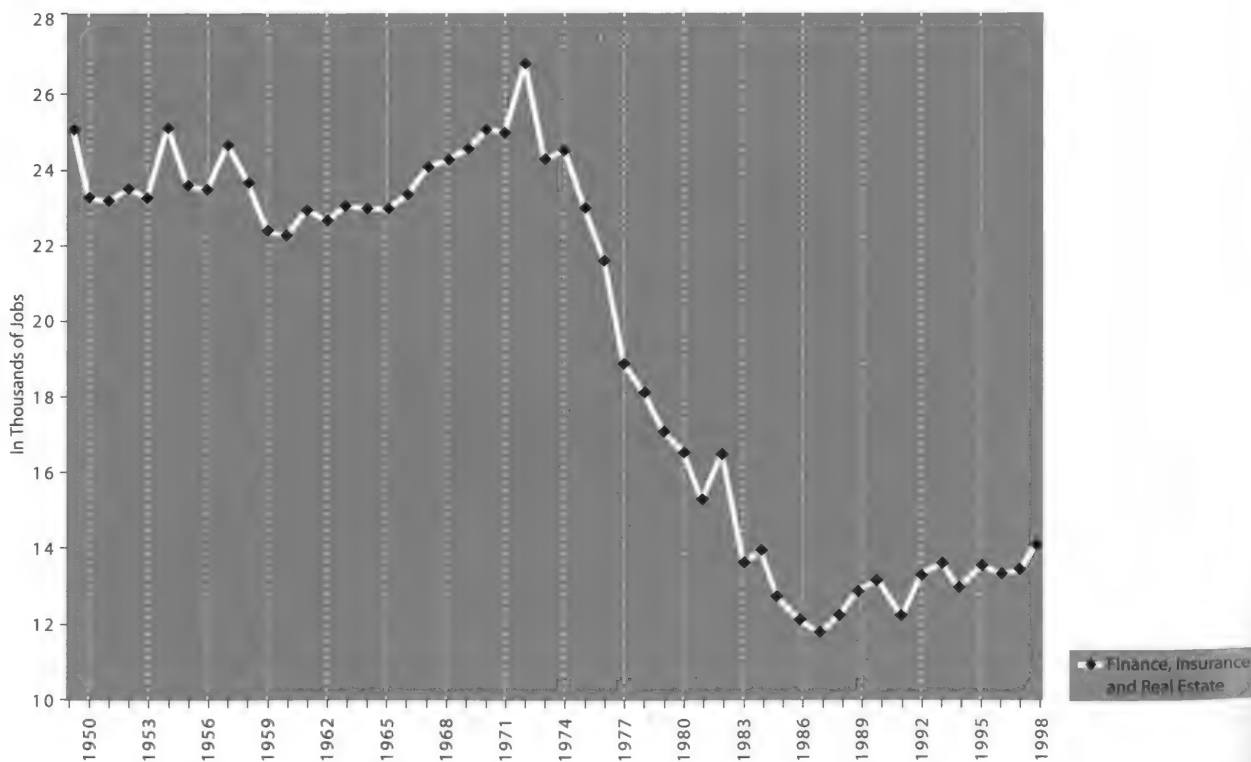
FINANCE, INSURANCE, AND REAL ESTATE (FIRE) AND BUSINESS SERVICES

The Finance, Insurance, and Real Estate (FIRE) Sector and the Business Services industry are not linked together in official government statistics. They are discussed together in the Newark CEDS because of their close linkages in the City and because of the importance of a viable Business Services industry to the FIRE Sector.

Although Newark has historically been identified as a manufacturing city, it has also always been a center for banking and insurance activities. When Newark began to lose its economic predominance in the 1930s and 1940s, it still maintained its position as an important financial center for the Region and the State. In 1950, Newark had 23,000 FIRE jobs, representing almost 50 percent of all FIRE jobs in New Jersey.

Employment in the City's FIRE sector declined somewhat during the 1960's and 1970's, but as late as 1975, there were 22,000 FIRE jobs in Newark. This represented 16 percent of total private sector employment in the City, compared to FIRE's 18 percent of total private sector jobs in the State. By 1985, the number of FIRE jobs in Newark had dropped to 12,200, but still accounted for 10 percent of total private sector jobs in the City, a somewhat higher share than the 6.7 percent in the State. A large proportion of the job loss in Newark was attributable to the Insurance Industry's drop from 14,300 jobs in 1975 to 6,200 in 1985 (see Figure 15).

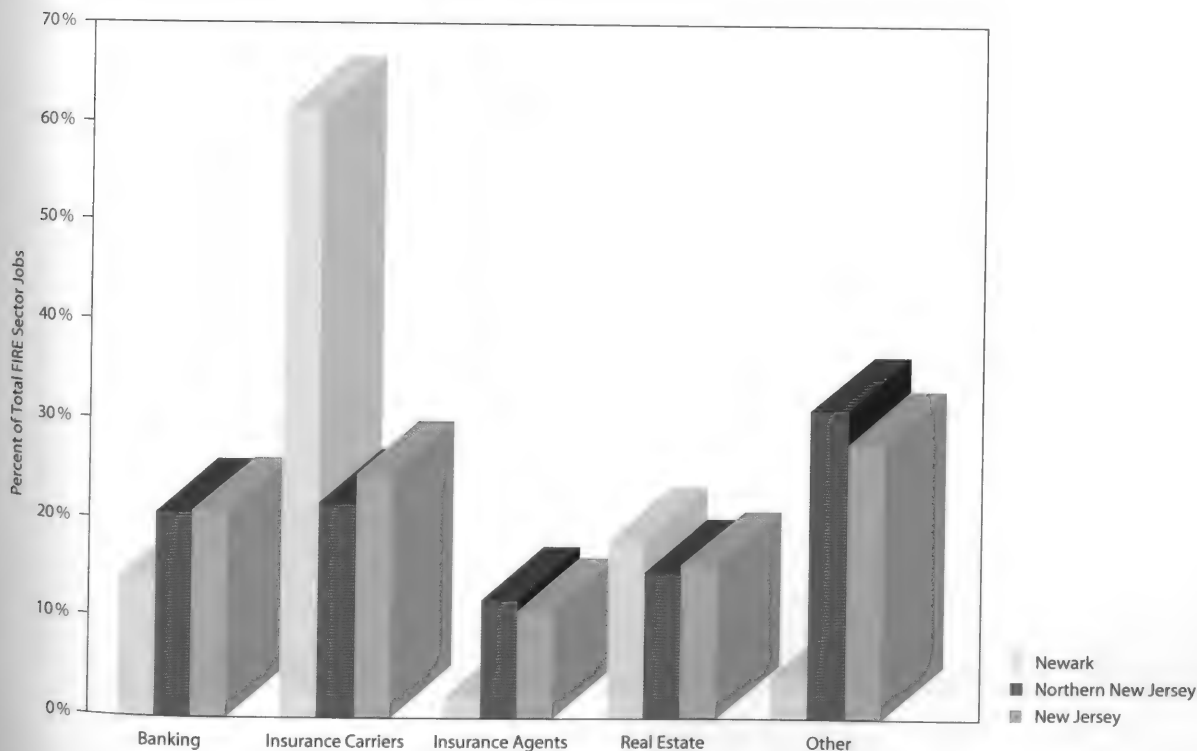
Figure 15/Employment in Finance, Insurance and Real Estate (FIRE) in Newark 1949 to 1998



However, because it is home to Blue Cross/Blue Shield and to the Prudential, Newark is still the center of the Insurance Industry in New Jersey. Insurance companies account for more than 60 percent of all FIRE jobs in Newark making them the largest of the FIRE industries in the City. In contrast, the Insurance Industry comprises only about a quarter of FIRE jobs in the Northern New Jersey Region and the State. On the other hand, Newark has smaller job shares in banking and other FIRE industries (including securities and commodities dealers) than either the State or the Region (see Figure 16).

From 1985 to 1991, employment in Newark's FIRE sector fluctuated around the 12,000-job mark and between 1992 and 1997 around the 13,000 level. Employment in the Sector increased to 13,900 in 1998. With 12.6 percent of the City's private sector jobs, FIRE is now Newark's fourth largest source of private sector jobs (after Services, Transportation, and Manufacturing). Although its proportion of New Jersey's FIRE Sector has dropped to 5.8 percent, there are more FIRE jobs in Newark than in any other municipality in the State, with the exception of Jersey City.

Figure 16/FIRE Sector Employment in Newark, Northern New Jersey and New Jersey, 1998



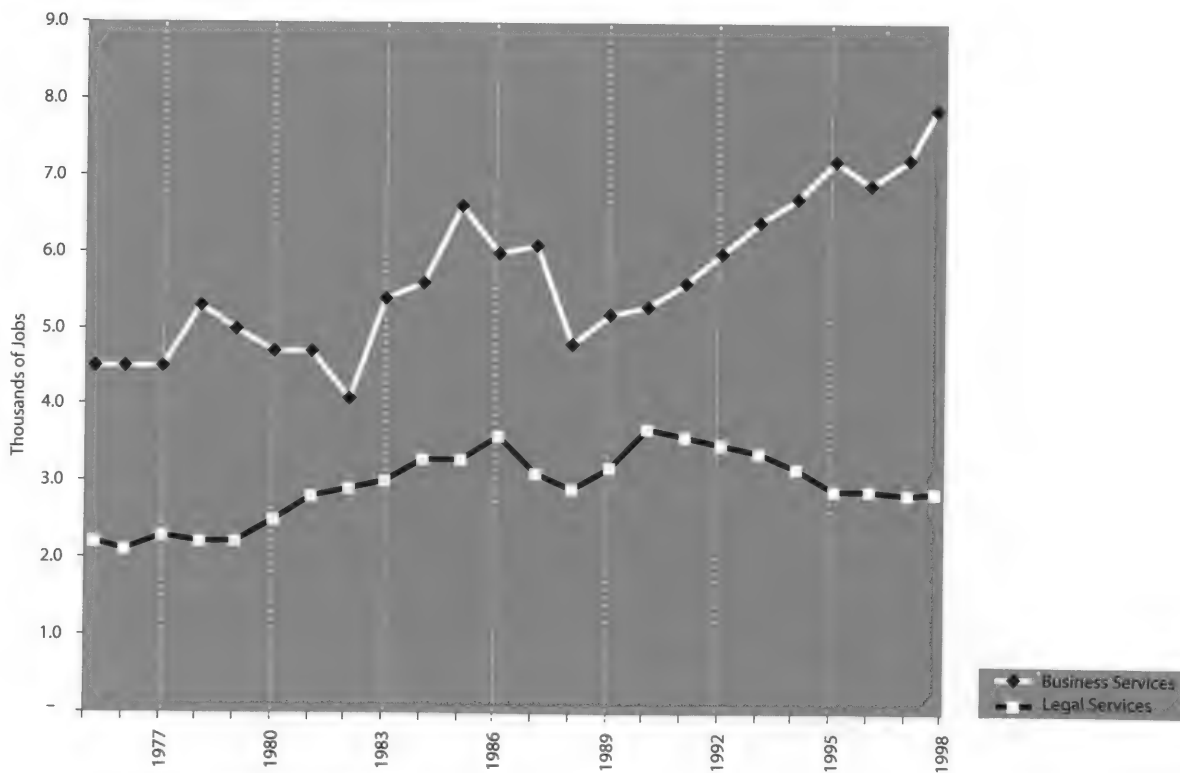
Source: Trends in Employment and Wages, NJDOL

BUSINESS AND LEGAL SERVICES

The presence of large corporations in Newark has attracted many companies supplying business, legal and related services. Employment in the City's Business Services industry grew from 4.5 thousand in 1975 to 7.9 thousand in 1998. Recent new leases provide evidence of the growth in Business Services. These include: the Capital Holding Group, Walter Frye and Associates Accountants and Risk Management Group among others.

Although the Legal Services industry experienced some job decline since 1990, the industry is now stabilizing. Its employment level of 2.9 thousand stands above the 2.2 thousand jobs recorded in 1975 (see Figure 17). The opening of the Legal Center in downtown Newark was a major factor in the retention of law firms looking for high quality office space.

Figure 17/Business and Legal Services in Newark 1975 to 1998



Source: Trends in Employment and Wages, NJ DOL

HIGH-TECHNOLOGY INDUSTRIES, COMMUNICATIONS AND PUBLIC UTILITIES

HIGH-TECH INDUSTRIES

During the last two decades, so-called high-tech companies have been one of the engines of economic growth in New Jersey, especially in the northern and central parts of the State. These high-tech companies are not grouped together in official government statistics under a specific industry or sector but are spread throughout a number of industries such as communications, biotechnology, environmental technology, computers, chemicals, and pharmaceuticals.

Because high-tech industries are not categorized in any particular economic sector, there are no official job statistics that can be used to analyze their growth pattern in New Jersey or in Newark. However, anecdotal evidence from high-tech companies as well as the job growth in activities located in the University Heights Science Park (UHSP) signal a growing high-tech business base in the City.

UHSP is becoming a magnet for attracting research-oriented high technology firms to Newark. These include biomedical, pharmaceutical and engineered products companies. Physically located between the University of Medicine and Dentistry of New Jersey (UMDNJ) and the New Jersey Institute of Technology (NJIT), UHSP is in the midst of a major physical expansion. The New Jersey Economic Development Authority (NJEDA) is financing the development of a 200,000-square-foot biomedical research building in UHSP. It will house the Public Health Research Institute, relocating to Newark from Manhattan, in 100,000 square feet of research and laboratory space. UMDNJ will occupy 100,000 square feet with its Tuberculosis Center and the New Jersey Medical School Department of Microbiology and Molecular Genetics. The 50-acre UHSP will accommodate approximately one million square feet of new office, laboratory and manufacturing space within the decade.

New Jersey has a high concentration of pharmaceutical corporations. Many are currently downsizing and outsourcing research, development, and marketing tasks. This presents a major economic opportunity for the growth of small high-tech and communications firms, which have a strong area market for their services. Newark, with its excellent transportation access to all parts of the New York Metropolitan Region and a number of research and academic institutions, presents an attractive location for these companies. However, except for UHSP, the City has few facilities to accommodate new high-tech companies. The "wet lab," or chemistry-lab type spaces that are most in demand are almost nonexistent in Newark or in the entire Region. These labs contain between 300 and 1,000 square feet of space, and cost in excess of \$100–\$125 per square foot to fit out. Most existing lab facilities that are available in Newark are too large to meet the needs of small companies. It is anticipated that additional development at the UHSP will go a long way in making this type of space available in Newark. In addition, two of New Jersey's seven technology business incubators are located in Newark. They provide start-up and other small companies with business assistance in addition to low-cost space for office use or for use in light manufacturing and/or as laboratories. The incubators in Newark are the Technology Enterprise Development Center I and the Technology Enterprise Development Center II.

The City has received a \$150,000 Cyberdistrict Planning Grant from the New Jersey Redevelopment Authority to study the suitability of existing commercial and industrial space and available land for use by high-tech businesses. The City will formulate a marketing plan to attract high-tech companies based on the information obtained in the study.

COMMUNICATIONS

One of the critical factors explaining the attraction of high-tech companies to Newark is the City's telecommunications infrastructure. This infrastructure can be disaggregated into four components that "serve similar functions for production, storage and distribution in the information economy that earlier infrastructure did for industrial and mercantile companies."⁶ The four components are information highways; information ports; information warehouses and information factories.⁷

Information highways. Information highways are the fiber-optic lines that move data at high speeds. Fiber-optic systems use hair-thin fibers and digital technology to deliver telephone service and high capacity/high-speed voice and data transmission services. Newark sits in the midst of one of the most advanced telecommunications networks in the nation. More than 20,000 miles of fiber optics run through the City, giving businesses access to high-speed advanced telecommunications technology. Newark's fiber-optic infrastructure runs along its major rail and highway right-of-ways.

Information ports. Information ports, also called "carrier hotels" or "telco hotels," are third-party sites where communication carriers interconnect their systems into a single, global network. In Newark, the old Macy's Department Store site in the heart of the CBD has operated in recent years as a carrier hotel. Major carriers such as WorldComm, Qwest and Level Three, along with twelve smaller carriers, have installed switching systems in Newark valued at more than \$1 billion. Several older industrial buildings in the Ironbound area, in the South Ward and along Broad Street are also potential spaces for carrier hotels. They have high floor-load capacities and are located close to Newark's fiber-optic network. IDT, another carrier and a leading provider of international and domestic long-distance telephone service and global Internet telephony service, has recently relocated its headquarters to Newark to take advantage of the City's telecommunications infrastructure. The company routes millions of minutes of international calling traffic from other carriers through its own telecommunications switching and network infrastructure.

It should be noted that the recent volatility in the telecommunications marketplace brings into question the long-term viability of the carrier hotels as reliable and sustainable sources of investment and continuing economic growth.

Information warehouses. Information warehouses, also called "data centers" or "co-los," are secure climate-controlled structures that house communications equipment such as Internet servers and switches. Newark serves as one of ten hub locations for a New Jersey high-speed Asynchronous Transfer Mode (ATM) fast packet data network. Newark has 48 ATM, Frame Relay and Switched Multimegabit Data Service Switches. This network of high-speed switches provides a full suite of bandwidth service applications.⁸

Information factories. Information factories are the broadband-ready offices and homes that produce and consume information products.⁹ Over 3 million square feet of Newark's older commercial office space was recently upgraded with new high-speed telecommunications infrastructures and access. Notable examples include the 566,000-square-foot National Newark and Essex Building at 744 Broad Street, the 190,000-square-foot office tower at 550 Broad Street and the re-wiring of Prudential's headquarters building as well as its leasehold interest at Gateway Two.

There is limited information available to indicate the extent of telecommunications usage in Newark. However, the results of a survey conducted by NEDC of some IT users in Newark indicate that an increasing number of the City's businesses and organizations are becoming involved with information technology. These entities see the IT infrastructure in Newark as a positive influence on their business activities.

There is no information on the usage of telecommunications technology by Newark residents. However, nation wide research on the use of the Internet—the most versatile and widely used telecommunications technology—has shown that there is a digital divide among the races. It has been estimated that 50 percent of Whites are connected to the Internet compared with 8 percent of African-Americans and 7 percent of Latinos.¹⁰ The Millennium Project, a coalition of Newark businesses, community-based organizations and academic institutions, is attempting to bridge this divide. It is working to place personal computers in the homes of City residents, to build community technology centers and to help community-based organizations develop a presence on the Internet.

The recent stabilization of employment in Newark's Communications Industry (Figure 18) reflects the growing importance of Newark's telecommunications infrastructure. Employment in Newark's Utilities is also showing slight growth after declining for many years. The Public Service Electric & Gas Company (PSE&G) is upgrading power substations throughout Newark so that the City's utility infrastructure is available to serve future developments, especially in the CBD (for example, those connected with the Newark-Elizabeth Rail Link). PSE&G also has a business affiliate called Site Finders that maintains a database of industrial and commercial real estate in Newark and across the State. It also provides information about incentive programs for businesses that relocate to New Jersey and can broker transactions through an affiliated network of cooperating real estate brokerages.

⁶This disaggregation was developed by Mitchell Moss and Anthony Townsend. It is explained in: *America's New Communication Hubs: How Competition in the Telecommunications Industry is Revitalizing the Nation's Cities*, March, 2001. (<http://www.informationcity.org>).

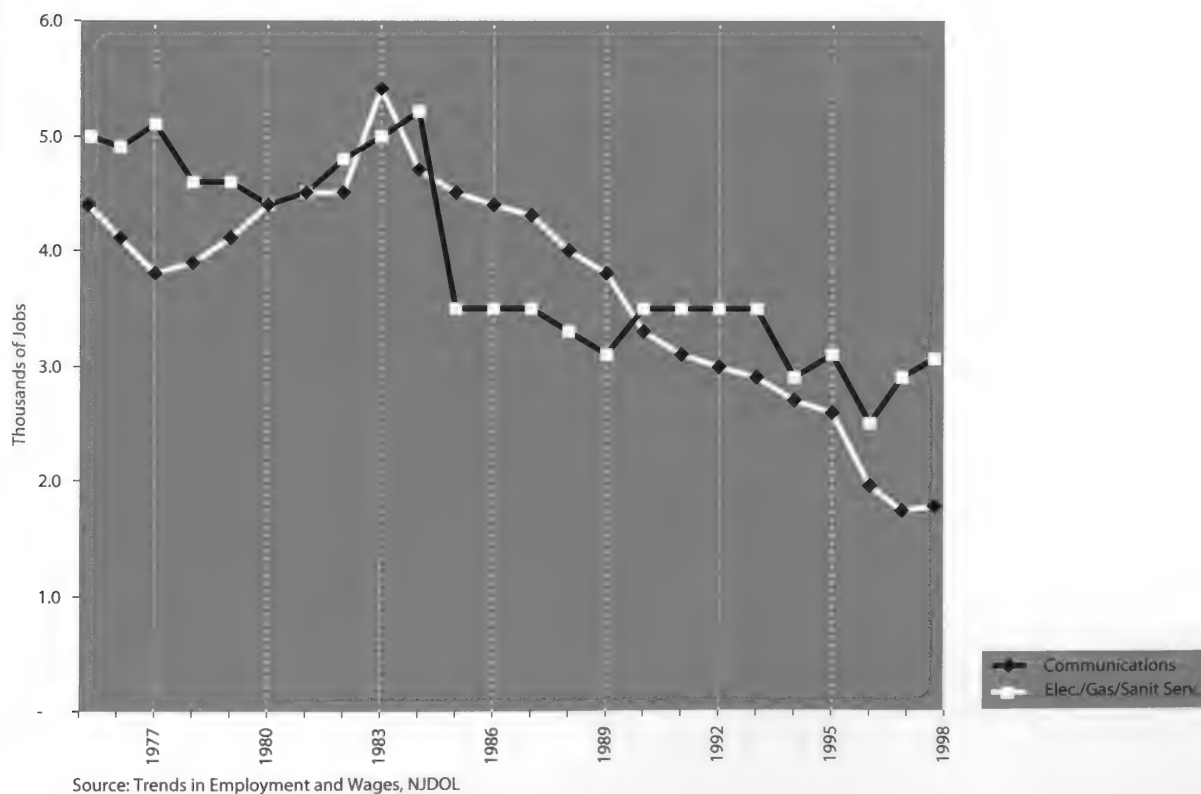
⁷The definitions used here for the four IT components were suggested by Moss and Townsend in the report cited in footnote 6 above.

⁸Bandwidth is a measure of speed and capacity of a telecommunications connection between two points.

⁹Broadband-ready is defined here as buildings with fiber connections, and residential locations with cable modem, DSL or ISDN connectivity.

¹⁰Rutgers University, Center for Urban Policy Research, *Report*, Spring 2000.

Figure 18/Employment in the Communications and Utilities Industries in Newark, 1975 to 1998



MEDIA

The Star Ledger, New Jersey's largest newspaper, is located in Newark, as are a number of television and radio stations including WBGO-FM, New Jersey Network (NJN) and WNJR. Gateway Cable, a private corporation, provides cable television service to paid subscribers including a local access channel. Rainbow Communications, the television branch of the *Star Ledger*, recently moved to Newark from Long Island and is expanding its services. Proximity to the major television networks and producers in New York City is a major competitive advantage for Newark.

Newark Public Radio, Inc. was incorporated in 1976 and created, in part, by a grant from the Corporation for Public Broadcasting. WBGO-FM was originally licensed to the City of Newark Board of Education to supplement classroom instruction. In 1979, the license was transferred to Newark Public Radio, Inc. and, since then, WBGO has operated as a not-for-profit, community-based organization. WBGO 88.3 FM serves the metropolitan area with jazz, blues and public affairs programming.

New media companies are beginning to relocate and grow in Newark. For example, TV.TV, an on-line television broadcasting station and a division of IDT Corporation, plans to expand its Newark studios with new Internet-broadcasting facilities.

RETAIL TRADE

Historically, Newark was a center for retail trade. As early as 1751, advertisements appeared in New York newspapers (neither Newark nor New Jersey had a newspaper at that time) for Newark stores offering a variety of imported goods. As Newark's economy grew and its population increased, the City's retail sector expanded. By 1895, Newark's big three department stores—Hahnes & Company, L.S. Plaut & Company's "Bee Hive," and L. Bamberger & Company—were attracting customers from all over the City and from surrounding municipalities. Newark became "the place" to shop for people of all income levels who came from across northern and western New Jersey. They shopped in Hahnes, Bambergers and Plaut's Bee Hive (which became Kresge's and Chase in 1923), and they frequented the restaurants, theaters and small shops located throughout the downtown area. Most shoppers arrived in Newark's downtown area via the system of trolleys that connected the City to other communities in northern and western New Jersey. While Newark's department stores were thriving as

the center of retail trade in Northern New Jersey, smaller establishments were also growing in number throughout the City's neighborhoods to serve local residents. Springfield Avenue, Bloomfield Avenue, and South Orange Avenue became popular shopping destinations for Newark families as did Ferry Street and Central Avenue.

After World War II, thousands of Newark residents, along with those of other older central cities in the northeast, began moving to outlying suburban communities. Faced with a declining population, many neighborhood stores in Newark went out of business. However, throughout the 1950's and into the early and mid-1960's, the large department stores in downtown Newark continued to draw hundreds of thousands of shoppers from all over northern New Jersey. In fact, S. Klein's opening day festivities in 1950 brought 150,000 people into downtown Newark, the largest number of off-season shoppers in the City's history.

Retail and wholesale trade employment peaked in 1956 at 49.1 thousand (not until 1975 are separate data for Retail Trade available). From 1956 through 1966, employment in the Trade Sector ranged from 45 to 48 thousand jobs. However, after the 1967 riots, when the population decline in Newark accelerated, employment in Newark's Trade Sector began to decrease. Trade jobs (wholesale and retail) fell by close to 50% percent between 1956 and 1974. From 1975 to 1998, employment in retail and wholesale trade together fell by another 40 percent (Figure 19). Retail trade jobs alone declined from 16.3 thousand to 9.7 thousand.

The decline portrayed in Figure 19 reflects a number of factors including the demise of large department stores in downtown Newark, and the fall-off in neighborhood retail activities resulting from population decreases in the aftermath of the 1967 riots.

Prior to the mid-1950's, central cities such as Newark were the retail meccas of the New York/Northern New Jersey Region. However, in the second half of the 1950's, the retail fortunes of cities began to change when regional shopping centers opened in developing suburban areas. The Mall at Short Hills opened in 1956; the Garden State Plaza and the Bergen Mall in 1957. These malls, and others that opened in the next few decades, gave people a choice. No longer did they have to shop in the downtown area of a central city to get access to the big department stores. Malls had the same, or similar, stores as the cities, but they also offered on-site parking and many offered all-weather

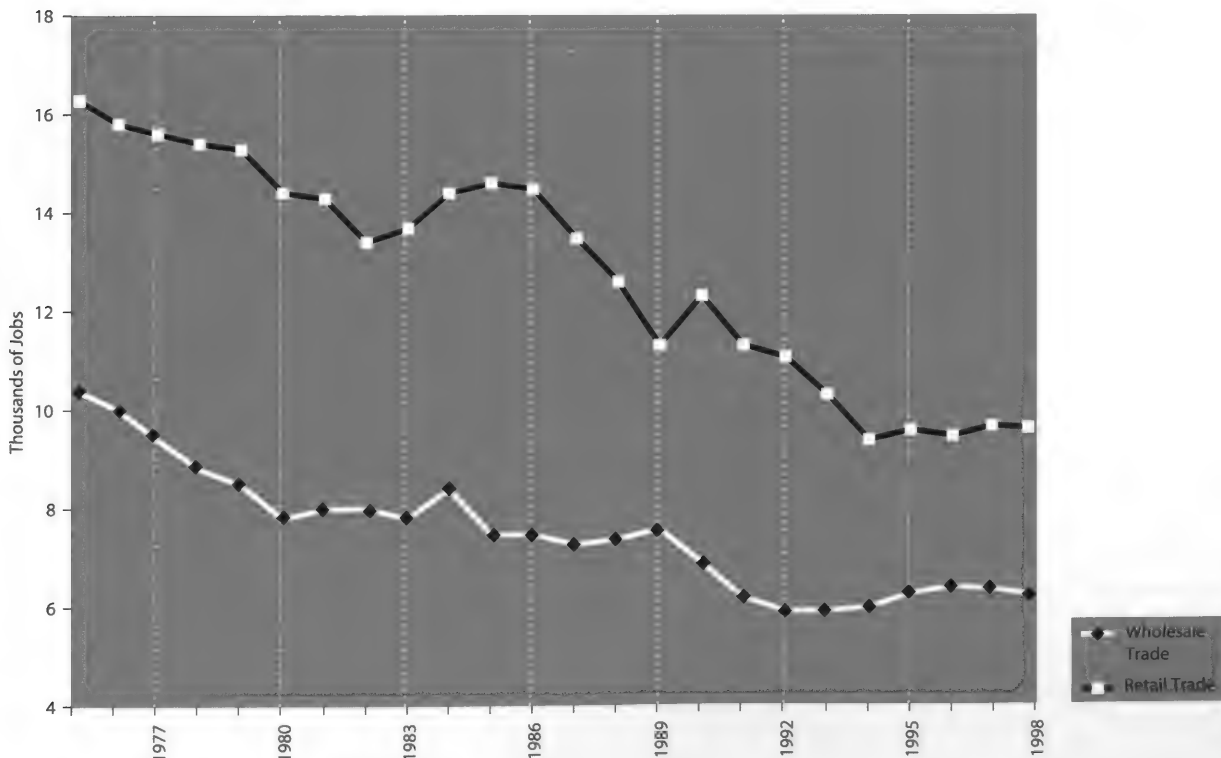
GOVERNMENT

shopping conditions. Malls might all look alike and lack the charm of the downtown, but you could drive to them, park your car, and walk from store to store without worrying about the weather or about bus or trolley schedules or personal safety.

Since the closing of Macy's (formerly Bambergers) located on Halsey Street, there are no major department stores left in downtown Newark. Today, Newark's retail sector is primarily composed of neighborhood stores catering to local residents and of niche businesses serving Newark's corporate community. Many small businesses, from restaurants to copy shops, offer delivery and thus convenience to the corporate community located in the downtown office centers. The retail crossroad at Broad and Market Streets remains the busiest of any CBD located in New Jersey's largest cities. Vacancy rates are low, and daytime and evening pedestrian traffic remains high. New retail establishments for children's and adults' clothing, as well as a Starbucks, are signs of a thriving retail market that has found its niche. Retail trade must expand throughout Newark if the City's neighborhoods are to redevelop.

In 1998, there were 24,921 people employed by the Federal and local government in Newark. This is down by more than 6 percent from the 26,569 government jobs in place in 1996. There are also 22,000 NJ State jobs located in Essex County. Many of these jobs are located in Newark, including those generated by New Jersey Transit (NJT) headquarters and the State Departments of Labor, Transportation and the Board of Public Utilities. However, no data are available on the exact number of these jobs located in the City.

Figure 19/Employment in Retail/Wholesale Trade



Source: Trends and Employment and Wages, NJ DOL

NEWARK SUB-MARKETS

OFFICE SUB-MARKET

With over 12 million square feet of office inventory, Newark is the largest office sub-market in Northern and Central New Jersey. Leasing activity for Newark office space over the last fifteen months has been the strongest since 1987, with over 1,000,000 square feet of leasing occurring during this time. This market strength has pushed vacancy rates down to their lowest levels in over a decade (approximately 4 percent for Class A buildings and 5 percent overall). Average market rental rates have also continued to increase, up approximately 6 percent since January 2000 to \$27.76 per square foot for Class A buildings and \$26.84 overall. The availability of large blocks of space in the major Class A buildings is virtually nonexistent.

Several significant transactions took place in 2000 and the early part of 2001, including Matthew Bender at 744 Broad Street for 88,329 square feet; Network Plus at 1100 Raymond for 56,600 square feet; Journal of Commerce and Checkfree Corp at 33 Washington Street for 42,956 and 21,478 respectively; University Health Plans and SBLI Life Insurance both at 550 Broad Street for 31,400 each; and Qwest Communications at 165 Halsey Street for 26,060 square feet. In addition, the MBNA Corporation has built a new regional call center in Newark, with plans for expansion of up to 1,500 employees in the City. All of these transactions represent new absorption for the City of Newark.

The first new downtown office building in over a decade is being constructed on the Passaic Riverfront property east of McCarter Highway at Center Street and the Passaic River to be occupied by the Newark Field Office of the FBI. The building will contain 250,000 square feet of office space, 15,000 square feet of retail space and parking. This project marks the first phase of riverfront development and should serve as a catalyst for future development activity for this area of downtown.

Prospects for future commercial office development depend upon the availability of approved sites and market demand. Given the diminishing supply of relatively inexpensive Class B space, new construction on a dozen high profile sites under diverse ownership in the central business district is the likely course that future development activity will take over the next five to ten years.

INDUSTRIAL SUB-MARKET

The market for industrial space in Newark remains exceedingly strong having recently experienced the most active leasing and sales activity in fifteen years. Given Newark's strategic location with respect to the port, airport and extensive transportation infrastructure, the demand for warehouse and distribution space is at an all time high. This has resulted in average rents exceeding \$5.00 per square foot and vacancy rates dropping below 4 percent. The availability of well-located land to develop new industrial products in the City is scarce.

Newark is also uniquely positioned to capitalize on the growth of high-tech and telecommunications facilities given the existence of its mature fiber-optic infrastructure. The growth in this segment of the market was quite strong in 2000, although demand for such facilities has slowed somewhat in 2001 due to the turmoil in the capital markets and the high-tech sector itself.

With little new industrial construction planned or coming on line, the demand for space will continue to outstrip supply for the foreseeable future.

RETAIL SUB-MARKET

The resurgence of Newark's downtown and neighborhoods has generated significant new interest on the part of National, Regional and local retailers in establishing operations in the city. Newark is underserved in almost every retail category including food markets, apparel, hard goods and restaurants. The population of Newark supports the establishment of these operations in every core retail corridor in the City.

Renewed interest is evidenced by the proposal for retail development on Broad Street by the New Newark Foundation, as well as by a number of proposed big box and strip developments along the Springfield Avenue corridor. Additionally, new retail activity in the Broad and Market Street area has commenced as a result of speculation over the proposed new arena for the New Jersey Nets and Devils. This activity should be a catalyst for other retailers to establish a presence in Newark.

The retail environment in the East Ward of the City remains strong with vacancy rates below 10 percent and average rental rates approximating \$20 per square foot.

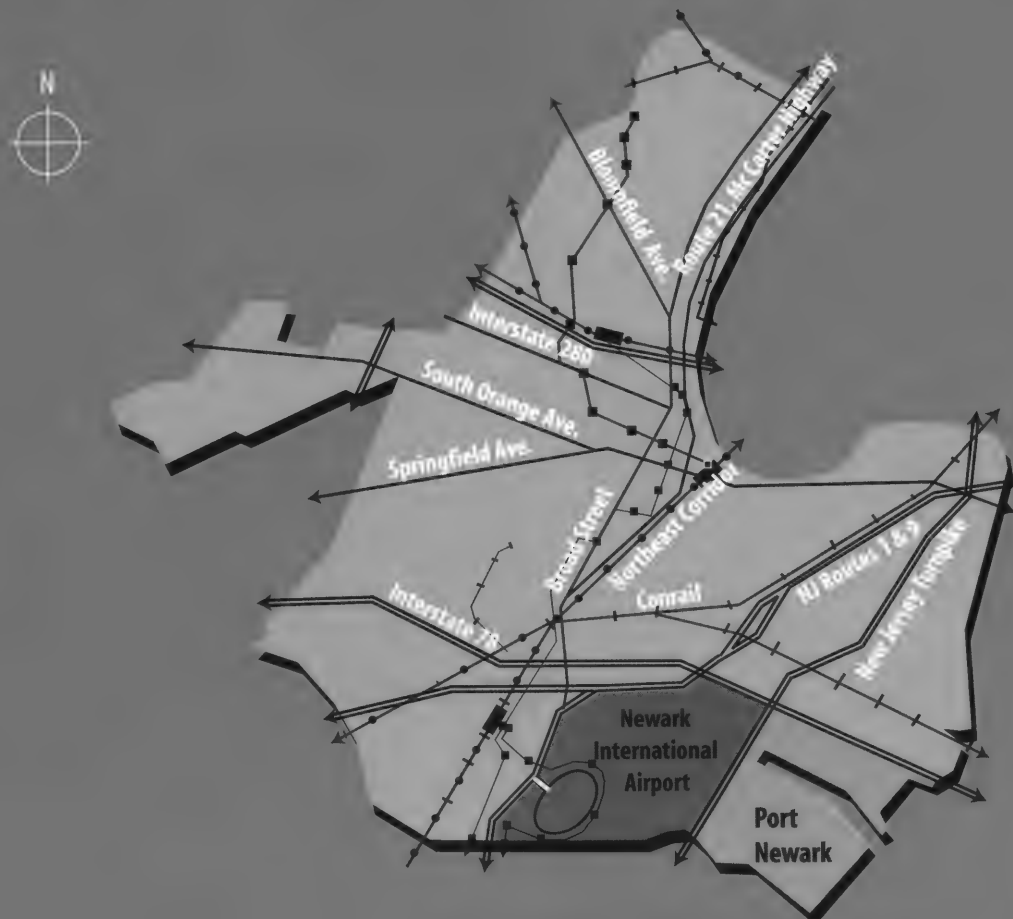
Overall, the prospects for new retail development in Newark are improving markedly and will only get stronger once national retailers establish themselves in the City.

THE TRANSPORTATION MARKET

Continuing growth in transportation services and facilities will continue to be a source of significant investment and employment growth over the next five to seven years. Approximately \$2 billion in funding for major infrastructure improvements in the City has resulted in significant additional capacity in road, rail and air freight and passenger facilities. Property acquisition costs are increasing while land availability steadily diminishes for transportation support services, especially near hubs such as Newark International Airport, Port Newark Marine Terminal and Penn Station Newark. Development at these locations often requires expensive environmental remediation to abate past industrial contaminants. Progressive public policies and financial and legal incentives can offset some of these costs. Newark's economy will continue to benefit as new transportation facilities open for service. Already, new commercial office tenants are locating in sites within walking distance of Penn Station Newark. Hotel development at the Airport and in Newark's central business district will enjoy a stronger market as air and rail passengers find convenient rapid transit between air, rail and business hubs a time-saver. Challenges that remain include Newark's ability to provide the private market with construction-ready industrial, residential, and hotel sites for profitable investment.



Map 15/Major Arterials Serving Newark



Transportation and Environmental Conditions in Newark

Newark is located twelve miles west of midtown Manhattan in what is known as the northeast corridor, the major rail and interstate transportation route between Boston and Washington, D.C. It is home to Newark International Airport, Port Newark-Elizabeth, Penn Station Newark and the New Jersey Transit Broad Street Station. The City's location and its multimodal accessibility are key factors in its economic vitality and prospects. However, Newark's location on the Passaic River also presents an environmental challenge that must be addressed if Newark is to reach its full economic potential. This section of the Newark 2001 CEDS describes transportation and environmental conditions in the City.



TRANSPORTATION CONDITIONS

Newark International Airport is one of the most important international air centers in the world. In 1999, more than 33 million passengers went through the Airport, as did over one million tons of cargo and 123 thousand tons of air mail. Port Newark-Elizabeth, among the largest containerized cargo-handling facilities in the nation, is a major entry point for goods coming into the New York Metropolitan Area (see Study Area 5 of this report for a description of the Airport and of Port Newark). The Airport is currently undergoing a major expansion, costing over \$1.4 billion.

In addition to its air and port facilities, Newark is a bus and rail transportation hub in New Jersey, with Penn Station Newark serving as a major terminal for State commuter rail and bus services for New Jersey Transit, whose headquarters is located in Newark. Penn Station Newark also houses the PATH trains (that link New Jersey to New York), and serves as a national connector for Amtrak trains in the Northeast Corridor.

Freight lines in Newark are maintained by Norfolk Southern and CSX railroads who operate major rail yards and service on-dock intermodal facilities for ship-to-rail container transfer.

Bus routes link Newark with the rest of the New York/Northern New Jersey region, with 41 bus routes traversing the City's CBD. Thirteen bus routes serve Broad Street and thirty bus routes serve Penn Station Newark, including lines operated or contracted by NJ Transit and by private local carriers. Greyhound, a private bus company, provides nationwide service from Newark.

Major interstate highways provide access into and out of Newark. Arterials serving Newark include: the New Jersey Turnpike (I-95), U.S. Routes 1 & 9, New Jersey Route 21 (McCarter Highway), U.S. Route 22, Interstate I-78, and Interstate I-280 (Map 15). The Garden State Parkway, a north-south expressway located west of Newark, is not easily accessible to the City's CBD and can not be used by trucks in the Newark area.

Although Newark is served by a well-developed public transportation system and a number of highways, it must use its transportation facilities more efficiently and must address a number of transportation challenges. According to the Newark Department of Engineering in a 1997 report:

The City's regional network, while extensive, is not ideally placed to serve the core of the City. Rather than facilitating movement through and within the City, the regional network encourages movement around Newark. Although Newark is bounded by a regional network and efficient access exists within the City, connections to and from the City still need to be improved. Once such connections are improved, it is anticipated that congestion and delays on the roadway network will decline, and economic growth will be stimulated. Accessing the Central Business District by automobile is often difficult. In spite of its ideal location and role as a transportation hub, the City has not completely utilized the full benefits of the various means by which to access the region as a whole. The City's internal transportation system needs to match and complement the regional transportation system.

The City is currently implementing five mobility and access objectives that will address these challenges: improving road access to and from the CBD; reducing congestion; restoring and replacing bridges and roadways; providing efficient road and public transit access to Newark's major cultural and recreational sites; and connecting regional centers within the City.

Significant ongoing or upcoming State and local major highway and intermodal improvements in the City of Newark are listed below. A full discussion of these projects can be found in the *Newark Economic Development Land Use and Transportation Report*, prepared by the City's Department of Engineering in 1997.

NEW JERSEY TRANSIT PROJECTS AFFECTING THE CITY OF NEWARK

New Jersey Transit projects impacting Newark are primarily funded by the Federal government through the North Jersey Transportation Planning Authority (NJTPA) planning process. NJ Transit has received substantial funding from the Federal Intermodal Surface Transportation Efficiency Act (ISTEA) for highway and transit funding programs in urban areas. One of the requirements of ISTEA is the preparation of a Transportation Improvement Plan (TIP) which covers at least three years. The TIP must be updated at least every two years and must include the priority projects to be carried out in each of the three years. All of the following projects for Newark are included in the *North Jersey TIP for Fiscal Years 2001–2003*.

- Light Rail Transit (LRT) Base Maintenance Facility planned for the maintenance and storage of the replacement light rail vehicles (LRVs) for the Newark City Subway.
- Newark City Subway Car replacement of existing Subway cars with sixteen new light rail vehicles.
- Newark City Subway improvements including the replacement of the bridge over the Morris and Essex Line, track improvements and a new signal system.
- Construction of the Newark-Elizabeth Rail Link (NERL) that will connect Newark and Elizabeth downtowns with the Newark International Airport. The NERL stations will increase access to Newark's CBD including Broad Street, Penn Station, the NJPAC, City Hall, Federal Courts, and Newark Symphony Hall.
- The rehabilitation of Penn Station Newark to ease passenger crowding during rush hours and facilitate transfers between PATH and NJ Transit trains.

STATE OF NEW JERSEY PROJECTS

State projects other than those funded by NJ Transit are also included in the *North Jersey Transportation Planning Authority's Transportation Improvement Program for Fiscal Years 2001–2003*. They are as follows:

- Replacement of the NJ Transit Bridge over Route 21 to improve traffic flow in northwestern Newark.
- Replacement of the Route 21 Viaduct over Interstate 78 and Amtrak which will provide a direct connection to Route 78 and improved linkages with Broad Street and Routes 21, 22 and 1 & 9.
- Scenic Enhancements on Route 21 including sidewalk repair and tree planting.
- Widening of Route 21 from Clay Street to Gouverneur Street and from Green Street to Orange Street.
- Construction of a Connector over Routes 1 & 9 and Interstate 78.
- Construction of West Peddie Street ramps.
- Reconstruction of Doremus Avenue and replacement of the Doremus Avenue Bridge from Port Street to the NJ Turnpike.

LOCAL PROJECTS

Priority transportation projects for the City of Newark are as follows:

- Provision of additional lighting (with State funds) on Bridge Street Bridge and on Jackson Street Bridge to improve the City's aesthetics and to provide a lighted gateway to Newark.
- Implementation of the Urban Traffic Control System (UTCS) Extension which, when finished, will synchronize traffic flows in the primary corridors that access Newark's CBD.
- Reconstruction of Wilson Avenue from the Passaic River to Routes 1 & 9 to improve access to the Seaport.

ENVIRONMENTAL CONDITIONS IN NEWARK

Newark faces a number of environmental issues that impact its economic development and quality of life. These include: the condition of the Passaic River and Newark Bay, the treatment and reuse of abandoned chemically contaminated sites, the need for restoration of Newark's open spaces and parks, and the management of the Newark watershed.

PASSAIC RIVER

Newark's most significant environmental feature is its 13 miles of waterfront on the Passaic River and Newark Bay. Although the waterfront has always been utilized as a commercial and industrial area, in recent years large stretches of it have been vacant or underutilized. To fully capitalize on this resource, the City, using funds from the Federal and State governments, has begun the Streambank Restoration Project. The project covers an area that extends from Bridge Street to Brill Street, adjacent to the new downtown commercial development and NJPAC. It involves replacing the existing bulkhead, rehabilitating the stream bank, and creating parks and recreation areas. Once the project is completed, the waterfront will be protected from erosion and periodic tidal flooding and the City will have a high-quality accessible waterfront recreation area.

FLOODING

The far eastern area of Newark was once part of the New Jersey Meadowlands, a wetland ecosystem. This may constrain current and future development due to protective wetlands legislation and a high water table that causes frequent floods. Because Newark's sanitary and wastewater sewers are still connected, heavy rains cause raw sewage to flow into the Passaic River. At the present time, the City Administration does not have the resources to separate the systems, at an estimated cost that would be greater than the entire Newark City budget aggregated over ten years. Ongoing water and sewer projects being undertaken by the City now total close to \$100 million.

NEWARK BAY

Newark Bay, a major point of entry for international shipping, is home to Port Newark-Elizabeth, one of the largest containerized cargo-handling facilities in the United States, and one of the major entry points for goods coming into the New York Metropolitan Area. Dredging is under way to deepen the Bay's 18-foot waterway to the 45-foot depth needed for the larger container ships that are now being used for freight movement. Some of the sediment from the dredging was used as fill in the construction site of the Jersey Gardens Mall in Elizabeth, but alternative sites must be found for the remainder of the sediment. A two-year, \$6.5 million project, funded and administered by the Army Corps of Engineers and the U.S. Environmental Protection Agency (EPA), is pilot-testing decontamination technologies for harbor sediment. Funding has been received for a "containment island" whose location has not yet been determined.

BROWNFIELDS AND HAZARDOUS WASTE SITES

Some of most serious environmental problems in Newark are found in its old industrial areas, located primarily along the Passaic River and in the Ironbound neighborhood. Before the era of environmental regulations, users were not held responsible for the contaminants and pollution they released into the soil and groundwater. With the imposition of environmental regulations and the high costs associated with their implementation, many polluted sites were abandoned by their original owners, leaving Newark with a significant number of contaminated sites. These sites are referred to as "Brownfields" to emphasize the fact that they have as much potential for development as suburban "Greenfields." Although some Brownfield sites have been cleaned up and returned to productive use, many are still awaiting resolution of lawsuits and liability issues.

State and Federal government programs to facilitate Brownfields cleanup, e.g., those funded through the U.S. EPA and New Jersey Department of Environmental Protection (DEP), have been used by the City for site assessments and to address liability issues in their redevelopment. Cleanup is also being undertaken through a wide range of public-private cooperative efforts such as the Environmental Opportunity Zone local tax abatement and Voluntary Cleanup Agreements between site owners and the City of Newark, which provide property tax abatements equal to the cost of remediation.

OPEN SPACE AND PARKS

Since 1994, Newark has received grants totaling \$1.9 million from New Jersey's Hazardous Discharge Site Remediation Fund (HDSRF) to pay for preliminary assessment and site investigations of 32 City-owned Brownfield sites. The U.S. EPA is also encouraging the cleanup of contaminated areas through its Brownfields Pilot Initiative, a program that provides grants to cities throughout the U.S. From 1996 to 1999, Newark conducted a Pilot that initiated site assessments and explored innovative ways to remediate and redevelop Brownfields.

The Army Corps of Engineers has funded a site assessment effort on smaller sites in Newark's Ironbound and Roseville neighborhoods. The City has also received a Superfund Redevelopment Pilot grant from the EPA to explore redevelopment alternatives for the former White Chemical superfund site in Newark's Airport Support Zone. It is anticipated that this property will be redeveloped for an airport-related use.

WATER TABLE RECLASSIFICATION

A serious environmental challenge in Newark relates to the water table under the Ironbound neighborhood. Although the water table is not used as a source of drinking water, it is classified as potable by New Jersey's Department of Environmental Protection (DEP). However, the water is, in many places, contaminated with chemicals and is a source of concern to some property owners who are worried that they will be held liable for cleanup of off-site pollution that has leached into water under their properties. This has happened in the past, but a current effort of DEP (in cooperation with Ironbound property owners) to reclassify the potable water table should mitigate its reoccurrence.

Several non-profit, community-based organizations are involved in the preservation and restoration of Newark's open spaces. For example the Greater Newark Conservancy (GNC) is creating urban gardens throughout Newark and building environmental awareness and appreciation. The Conservancy is involved in several tree-planting and environmental education initiatives, and has been hiring Newark residents to do contract landscaping. The organization is also rehabilitating the historic Ohab Shalom Synagogue on Prince Street, which will be Newark's first environmental education center.

Another example is the restoration of Weequahic Park. Staffed by residents of Newark's Weequahic neighborhood, the Weequahic Park Association is planning and implementing the long-term restoration of the Park. Projects which are under way or planned include: the rebuilding of the Weequahic Park playground, landscaping, improving access to playgrounds for the handicapped, upgrading of the baseball fields, repaving of park roads, and improving security in the park. Future plans involve using the Park as a catalyst for the economic revitalization of the neighborhoods around it. One of these initiatives includes marketing Weequahic's public golf course as a tourist destination.

WATERSHED

The City of Newark maintains the 35,000-acre, 63.7-square-mile Pequannock Watershed (New Jersey's largest tract of open space), located in Morris, Sussex and Passaic Counties 35 miles northwest of Newark. Purchased by Newark in 1900, the Pequannock Watershed ensures the supply of clean water to the City and its customers.

The Pequannock Watershed is managed by the Newark Watershed Conservation and Development Corporation (NWCDC), which was created in 1971. The NWCDC has created a conservation and development plan that limits development to less than 10 percent of the land area in the watershed. This development has, thus far, been largely residential with some small neighborhood commercial and office development clusters. The rest of the watershed area is used for recreational purposes for which discounted fees are available to Newark residents. The City has worked with the New Jersey DEP to reintroduce native species of plants into the watershed and to protect environmentally sensitive areas.

Newark's Watershed contains some of the region's most important open space, but is taxed at full development value by the municipalities in which it is located. As property values rise because of development pressure, Newark's tax payments will, in all likelihood, increase. While the City of Newark derives some of the benefits of the open space, it pays all of the cost of maintaining this space. Innovative regulatory programs and funding mechanisms must be developed to assure the preservation of the watershed.

Population and Housing in Newark

In the year 2000, Newark's population stood at 273,546, only 0.6 percent below its 1990 level of 275,221. This stability—after four decades of steep population decline—is strong evidence of Newark's turnaround during the 1990's. With its more than 273,000 people, Newark remains the largest city in New Jersey, 14 percent above Jersey City, the State's second ranking municipality with its 240,055 residents. This section of the report analyzes the trends and changing nature of the City's population. It begins with a brief description of National, State and Regional trends that provide a context for the Newark analysis. The section also includes a discussion of recent housing activity in Newark, one of the key factors that explains the more positive population picture in the City.



POPULATION TRENDS IN THE UNITED STATES AND NEW JERSEY

At the time the first Census was conducted in 1790, the U.S. population stood at 4 million people. By the beginning of the 20th century, it had grown to 76 million and by 1990 to 248.7 million. Between 1990 and 2000, the Nation's population increased by 13 percent to 281.4 million persons. Data are not yet available from the 2000 Census on what proportion of this increase is due to immigration. Assuming that the 1980's pattern continues, close to one-third of total population growth during the 1990's in the U.S. will be attributable to new arrivals from abroad.¹

During the 1990's, population did not increase uniformly throughout the Nation's regions, ranging from a low of 5 percent in the Northeast to a high of 20 percent in the West. New Jersey's population rose from 7.7 million in 1990 to 8.4 million in 2000, for a growth rate of 9 percent—below the national rate but above that in other northeastern states such as New York and Connecticut. New Jersey's 9 percent population growth during the 1990's was close to double its 5 percent increase during the 1980's.

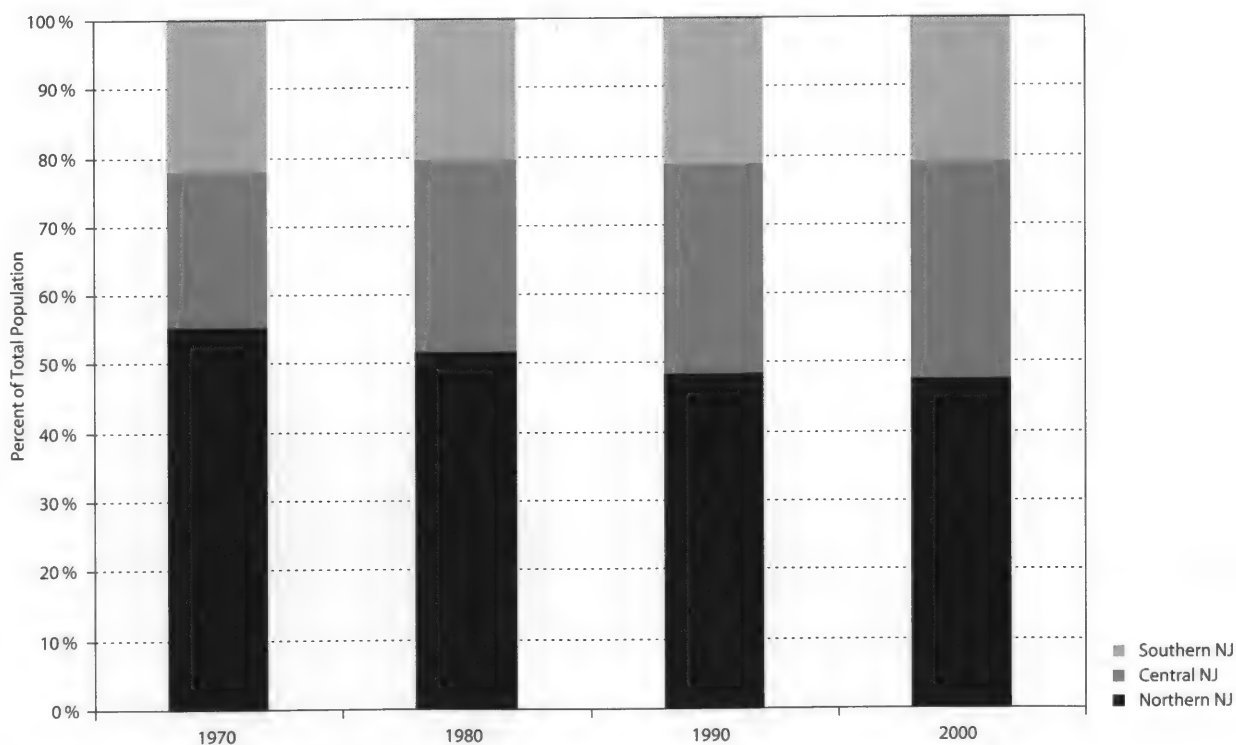
During the 1990's, Asians constituted the fastest growing racial group in New Jersey and Hispanics accounted for more than half of the State's population increase. The non-Hispanic White population declined slightly, while the Black population grew at a faster rate than overall population.

POPULATION TRENDS IN NORTHERN NEW JERSEY

Within New Jersey, a shift has occurred over the past thirty years in the spatial distribution of the population. Northern New Jersey has been losing share and other areas, especially Central New Jersey, gaining. Fifty-five percent of all New Jersey residents lived in the northern part of the State in 1970; 47.7 percent in the year 2000 (Figure 2.1).

¹Throughout this section of the CEDS, information from the Census of Population for the year 2000 released as of March 2001 has been used. However, data, such as that pertaining to education and occupation, will not be released by the Bureau of the Census until later in 2001. In those instances, 1990 data have been used.

Figure 2.1/Distribution of New Jersey's Population, 1970 to 2000



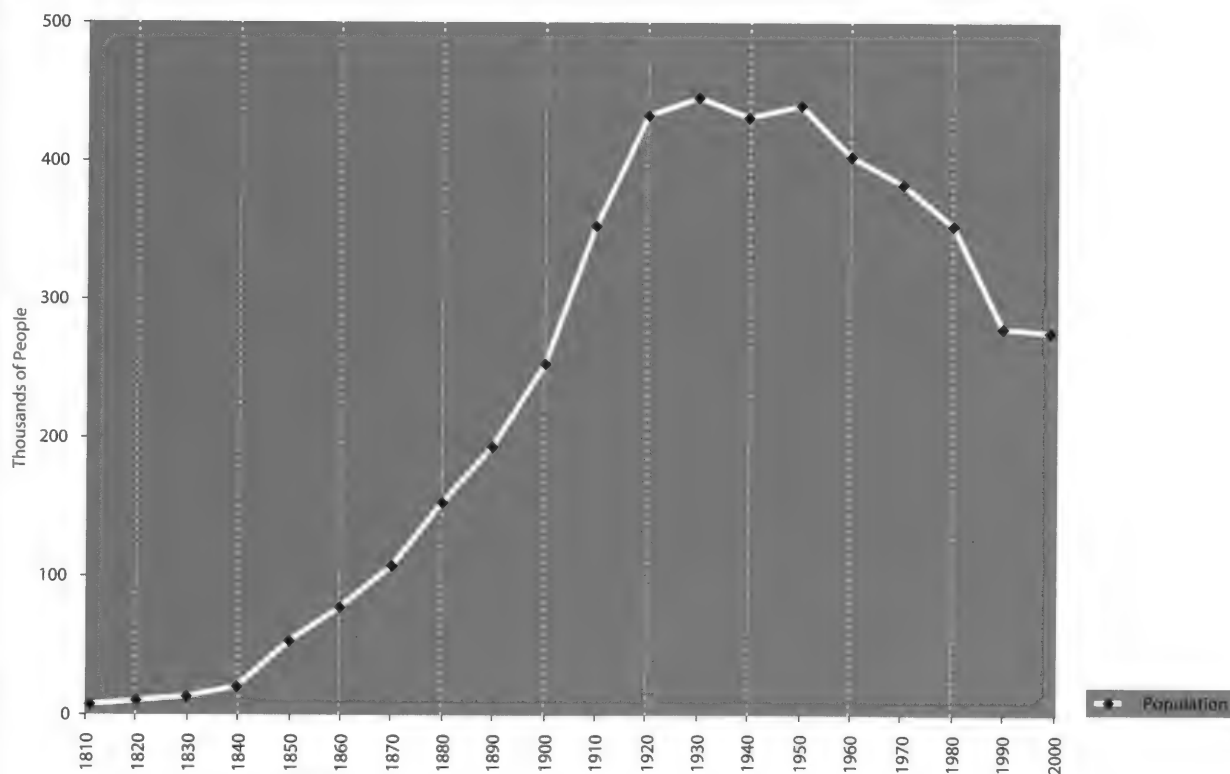
Source: US Census of Population

POPULATION TRENDS IN NEWARK

Founded as a Puritan farming community in 1666, Newark became a City in 1836. From that time until 1930, its population, like that of the Nation and the State, showed consistent decade-over-decade increases (Figure 2.2). During the Great Depression years between 1930 (when Newark's population peaked at 442,337 persons) and 1940, the City's population declined by 3 percent. It resumed growing from 1940 to 1950, for the last recorded decade-over-decade population increase in Newark. Between 1950 and 1990, Newark's population dropped by 37 percent, from 437,540 to 275,221 people, with nearly half of the decrease occurring from 1980 to 1990. Newark's slight 0.6 percent population decline during the 1990's from 275,291 to 273,546, stands in stark contrast to the 16.4 percent decline in the 1980's.

During the 1990's, Elizabeth was the fastest growing large city in New Jersey, adding nearly 10 percent to its 1990 population base. Jersey City's population increased by 5 percent and Paterson's by close to 6 percent. Trenton's population declined by 3.7 percent and Camden's population declined nearly 9 percent, falling under 80,000 residents. However, while most cities throughout New Jersey experienced population stability or some growth during the 1990's, the bulk of the State's increase occurred in its suburbs in the central part of the State and in the four counties along its Atlantic Coast—Ocean, Atlantic, Monmouth and Cape May. Two townships in Middlesex County in the central part of the state—Edison and Woodbridge Townships—now have more residents than two of the State's big six cities, Trenton and Camden.

Figure 2.2/Newark's Population, 1810 to 2000, in Thousands



Source: US Census of Population

The major driving force behind the population growth in New Jersey and its cities during the 1990's was the increase in Hispanics and, in some cases, Asians.² In Newark, the Hispanic population increased by almost 9000 people or 12 percent over the decade. In the year 2000, Hispanics comprised 29 percent of the City's population compared with 26 percent in 1990.³ Over the decade, both the White and Black populations in Newark declined, by 8 percent and 9 percent respectively.

The latest racial changes in Newark represent a slight reversal of the decades-long trend of increasing African-American representation in the City's population. In 1950, African-Americans constituted 17 percent of the City's total population of 438,776. By 1990, this proportion had risen more than three-fold to 58 percent; in the year 2000 it declined to 53 percent. It is not certain, however, how much of the difference between 1990 and the year 2000 is due to actual change and how much to definitional changes in the Census⁴ (Table 2.1).

Newark's racial and ethnic diversity presents an economic development opportunity, especially with regard to its arts and cultural activities as can already be seen in such venues as the African Globe Theatre and the City's many ethnic street fairs.

TABLE 2.1
Race and Ethnicity in Newark, 1990 and 2000¹

	1990 Number	1990 Total	2000 Number	2000 Total
Total	275,221	100.0%	273,546	100.0%
One Race	na	na	261,620	95.6%
White	78,771	28.6%	72,537	26.5%
Black	160,885	58.5%	146,250	53.5%
Asian	3,930	1.4%	3,263	1.2%
Other ²	31,635	11.5%	39,570	14.5%
Two or More Races	na	na	11,926	4.4%
Hispanic ³	71,761	26.1%	80,622	29.5%

Source: US Census of Population, 1990 and 2000

¹Because individuals could report only one race in 1990, and could report more than one race in 2000, the racial data for 1990 and 2000 are not directly comparable.

²Other includes native Americans, native Hawaiian and other Pacific Islanders, and "some other race."

³Hispanic population may be of any race.

NEWARK'S SHARE OF THE NEW JERSEY AND ESSEX COUNTY POPULATION BASE

In 1840, Newark's population stood at 17,290 or 4.6 percent of New Jersey's total population of 372,859. In 1920, the City's share of the State's population peaked at 8.2 percent, and has declined steadily since that time, falling to 5.3 percent in 1970, to 3.6 percent in 1990 and to 3.3 percent in 2000. This declining share reflects Newark's population losses as well as the rapid growth and suburbanization in the southern and western parts of the State.

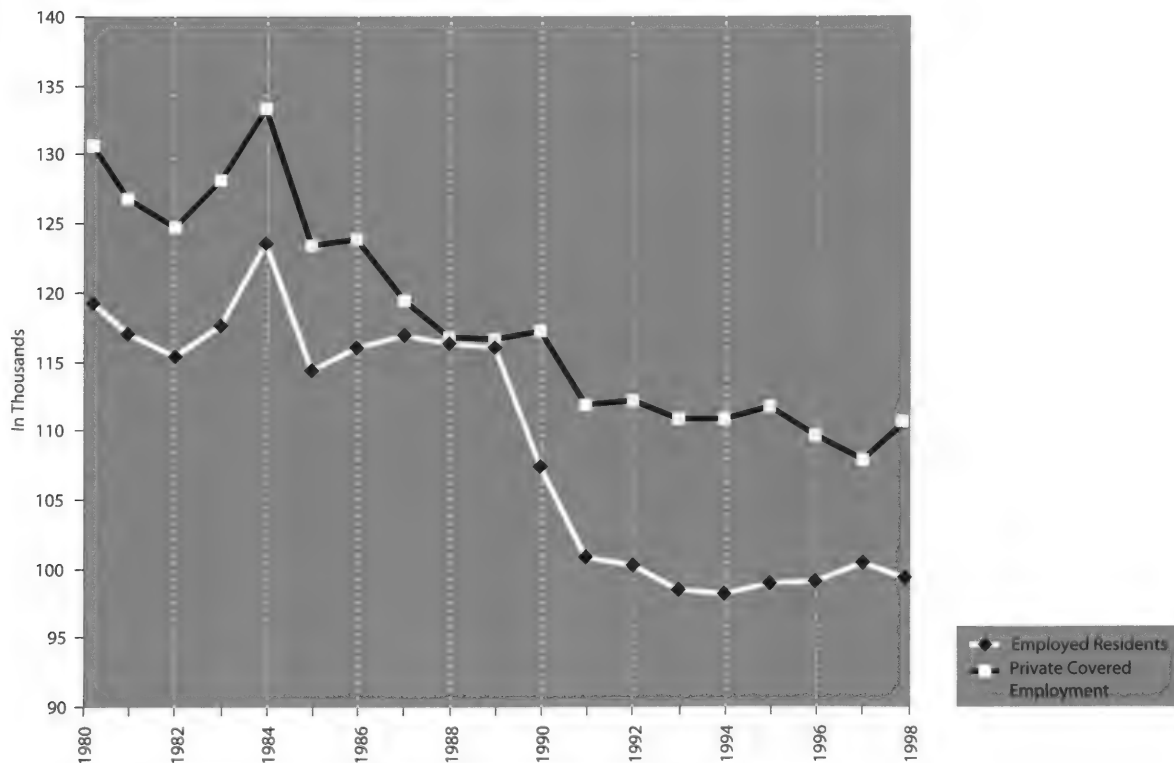
In 1970, Newark accounted for 40 percent of all Essex County residents; by 1990, this share had decreased to 35.4 percent, and there was a further decrease to 34.5 percent in 2000. The decline in the 1990's was due to the fact that all municipalities in Essex County, with the exception of East Orange, gained population. East Orange declined by 5.1 percent. Overall, Essex County's population grew by 2 percent from 1990 to the year 2000. Population in the County outside of Newark increased by 3.4 percent, from 502,985 to 520,087.

²Source: N.J. Department of Labor

³Hispanics may be of any race so that their proportion of the population can not be combined with other racial data.

⁴Because individuals could report only one race in 1990 on their census forms but more than one race in 2000, the racial data for the two years are not directly comparable.

Figure 2.3/Employment in Newark, 1980 to 1999



Sources: Economic Indicators, NJ DOL; Trends in Employment and Wages, NJ DOL

THE AGE DISTRIBUTION OF NEWARK'S POPULATION

Data are not yet available from the U.S. Census on age distribution in the year 2000. Data from the 1990 Census revealed that Newark had a relatively young population. The median age of Newark's residents was 29.6 years, almost five years below the 34.5 State median, four years less than the Essex County 33.5 median and almost three years below the 32.9 U.S. median. In 1990, almost 29 percent of Newark's residents were less than 18 years of age; 62 percent were in the prime-working years of 18–64 years of age; and 9 percent were 65 years of age and older.

The proportion of Newark's residents in the prime working years was the same as that in the rest of the country and the State of New Jersey. However, Newark's residents have lower labor-force-to-population ratios than do the residents of New Jersey, including those living in the other big six cities with the exception of Camden. The year 2000 labor-force-to-population-ratio in Newark was 40 percent, compared to 50 percent for the State and between 44 percent and 48 percent in all other big six cities except Camden (Figure 2.4). The low ratio in Newark may be attributable to the relative youthfulness of the City's population since all residents are included in the measure. When data from the Census for 2000 on labor force participation of working-age residents become available, more detailed analysis of this phenomenon will be possible.⁵

EDUCATIONAL ATTAINMENT OF NEWARK'S ADULTS

Data are not yet available from the U.S. Census on educational attainment in the year 2000. In 1990, the proportion of Newark's adult population (persons 25 years of age and older) with college degree (4+ yrs) was 8.5 percent, up from 6.3 percent in 1980. The proportion of Newark adults holding a high school diploma was 27.5 percent, not far below New Jersey's 31 percent. But the proportion of Newark adults with less than a ninth grade education stood at 22 percent. This was significantly above the 9 percent proportion in New Jersey and the 10 percent in the U.S., but below the 33 percent in Camden; the 37 percent in Paterson; and the 28 percent in Jersey City and Elizabeth.

The low level of educational attainment of Newark's residents was a problem cited by all CEDS focus groups as a major constraint to sustained economic development in the City. It may also help to explain the divergence in the growth of the job base in Newark relative to growth in the number of employed residents (Figure 2.3 on previous page) since many of the City's new businesses are hiring people with college educations and strong technological skills which many Newark residents lack.

OCCUPATIONAL PROFILE OF NEWARK RESIDENTS

Data are not yet available from the U.S. Census on the occupational distribution for the year 2000. In 1990, more than one out of every three residents (16 years of age and older) reported having a blue-collar occupation, significantly above the 23 percent of New Jersey's residents and 27 percent of U.S. residents. Given that the Manufacturing Sector is still declining in the City, Region, and the State, if the year 2000 data reveal that Newark's residents are still proportionately over represented in blue-collar occupations, training programs will have to be developed to provide blue-collar residents with alternative skills. This is even more critical since, as discussed in the section of this report on the economy, many manufacturers are now hiring white-collar workers rather than on-floor, blue-collar workers.

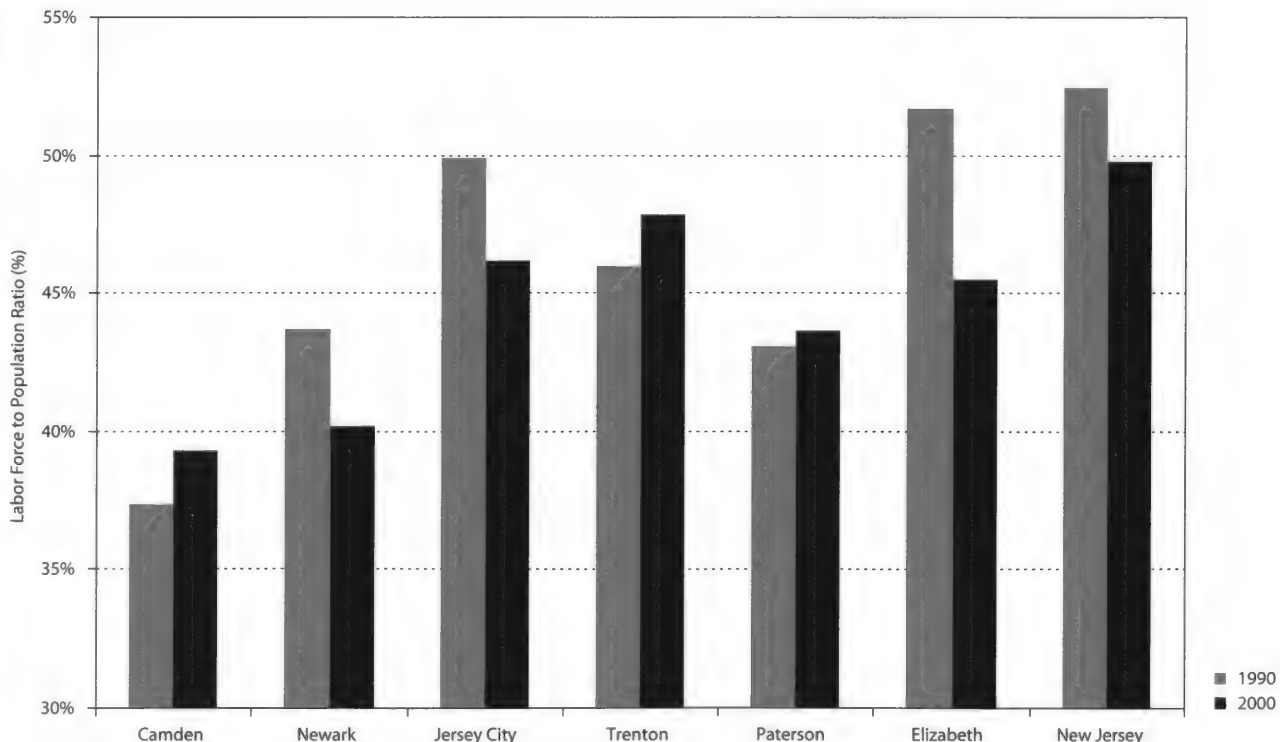
⁵In general, labor force participation is calculated based on the proportion of people of working age in the labor force relative to their proportion of the population. However, age-specific population data are not yet available from the Census for the year 2000, so the entire population including all age groups has been used here.

UNEMPLOYMENT OF NEWARK'S RESIDENTS

The unemployment rate in Newark in the year 2000 stood at 8.1 percent, more than double the 3.8 percent State rate and the 4.0 percent U.S. rate. Although significantly above the State and national rates, Newark's unemployment rate has dropped over 8 percentage points since 1992 when it stood at 16.6 percent. Newark's 2000 jobless rate was above that in Jersey City (7.1 percent), Elizabeth (6.5 percent), Trenton (6.6 percent), and Paterson (7.8 percent) and below that in Camden (11.4 percent).

The continuing high unemployment rate in Newark reflects the disconnect between the low educational and skill levels of many residents and the high levels of knowledge and technological competence required for the jobs now opening in the City and Region.

Figure 2.4/Labor Force to Population Ratios, Select Cities and New Jersey, 1990 and 2000



Sources: Economic Indicators, NJ DOL; US Census of Population, 1990 and 2000

HOUSING

A major factor contributing to the stabilization of Newark's population is the increasing availability of new and rehabilitated housing throughout the City. A renewed sense of residential community is emerging in Newark's neighborhoods as a result of the thousands of housing units put-in-place during the last three years. These units include market-rate for-sale homes, detached and semidetached low-rise public housing units, and mixed-income rental and for-sale homes. Over 500 units of existing vacant housing in the City have also been rehabilitated since the late 1990's. Non-profit organizations have been a driving force in providing new housing throughout the City.

THE DEMAND FOR HOUSING

Between 1975 and the late 1980's, virtually no market-rate housing was constructed in Newark. Since the completion in 1995 of Society Hill—a 980-unit middle-income condominium housing complex in the University Heights section of Central Newark—demand for similar types of housing has increased. A portion of this demand is attributable to the increase in the number of part-time and full-time students and employees at the City's five higher educational institutions—Rutgers-Newark Campus, Seton Hall University Law School, New Jersey Institute of Technology (NJIT), Essex County College (ECC) and the University of Medicine and Dentistry of New Jersey (UMDNJ). In addition to building more student housing, some of the schools are offering a State-financed homebuyer's program for their employees.

A second source of demand results from the overall housing shortage in the Newark Region. According to M/PF Research, a Dallas, Texas-based research organization, in the first quarter of 2000, the overall residential occupancy rate in the Newark Metropolitan Area stood at 99.6 percent, ranking No. 1 among all metropolitan areas in the Northeast.⁶

A third source of demand derives from the recent deterioration of housing conditions in Newark's western border communities of Irvington and East Orange. Significant immigration to the region from Latin America is a fourth factor contributing to the rising demand for housing in Newark.

⁶A metropolitan area consists of a defined central city, the county containing the central city and other counties that the Bureau of the Census determines are economically connected with the central city county.

HOUSING DEVELOPMENTS IN NEWARK'S NEIGHBORHOODS

In Central Newark and University Heights, 2,000 new homes were recently constructed by faith-based organizations on City-owned land conveyed over the last several years, mainly in the area of the Springfield/Belmont and Fairmount neighborhoods. The University Heights area also contains older, well-maintained multi-family apartment houses, with over 3000 dwelling units under management by the New Community Corporation. In University Heights, UMDNJ plans to develop student and faculty housing immediately to the west of its campus in the vicinity of Littleton Parkway south of South Orange Avenue. Newark's Department of Economic and Housing Development is complementing and reinforcing housing construction in neighborhoods outside the CBD by implementing larger scale development land assemblages for residential builders. Approximately 3,500 new dwelling units are in production within the CEDS Study Areas Seven and Eight (South Newark, principally in Lower Clinton Hill, and in Central Newark and University Heights). In Central Newark, in the Fairmount, West Side and the Springfield/Belmont neighborhoods, the City has divided 550 lots into 30 development clusters to generate 250–300 new dwelling units. In South Newark's Lower Clinton Hill, the City has divided 900 lots into 53 development clusters where private developers are constructing 700 new homes.

In the Ironbound, hundreds of new market-rate housing units are rising on what were once industrial sites. The long-abandoned 250,000-square-foot Conmar Zipper factory building, located on a 5-acre site at 140 Thomas Street, was demolished and is being replaced by a gated community of market-value two- and three-family homes. They will be sold at \$200,000 to \$300,000 each. During the last five years, clusters of two- and three-family homes have been built on former industrial land throughout the Ironbound. Most are selling before completion.

Beginning in the early 1990's, the Newark Housing Authority (NHA) re-focused the City's subsidized and public housing strategy. NHA is replacing the high-density, high-rise buildings that have dominated the City's landscape since the 1950's with low-density townhouses and single-family units for low and moderate-income families. This fundamental shift in building type is designed to establish character and appeal for Newark's neighborhoods.

RESIDENTIAL DEVELOPMENT IN THE CBD

In the CBD, the City Administration, the business community and the New Newark Foundation are stimulating residential redevelopment to put people on the street "24/7" (twenty-four hours a day, seven days a week). A vacant office building at 9 Clinton Street is being converted into 34 apartments while plans advance for two additional CBD residential developments: one at 1180 Raymond Boulevard and the second in what is called Halsey Village, a 17 acre mixed use development of residences, offices and retail establishments.

The Art-Deco office building at 1180 Raymond Boulevard will become a 700-unit combination apartment building and student residence for Seton Hall University School of Law. The New Newark Foundation's Halsey Village Master Plan calls for creating 1,600 residential units over the next five years in downtown Newark, between the core of the CBD and the Rutgers University Campus gate to University Heights. It is anticipated that 500–600 of the new units will be located in the former Hahne's Department Store Building located at the northwest corner of Broad and New Streets. Another 1,000 dwelling units will be constructed on vacant land south of the Hahne's Building.

HOUSING AS AN ECONOMIC DEVELOPMENT STRATEGY

The new and rehabilitated housing is energizing neighborhood retailing by increasing the demand for household goods and services. This demand is driving commercial investment throughout the City, especially in neighborhood retail trade activities. Because of the positive impact of the new residential units on neighborhoods and the anticipated impact on the CBD of twenty-four hour residential life in the downtown area, housing development has become an important economic development strategy in Newark.

Part II: Challenges to Newark's Economic Recovery and a Strategic Plan to Address These Challenges

Although Newark's economy is recovering after decades of decline, there are still challenges that must be overcome if the City is to maintain its predominant position in the Region, sustain the progress it is making and provide job opportunities for its residents. In Part II of the CEDS, these challenges are identified, and a set of objectives and accompanying strategies are presented that are directed at revitalizing the City's economy. Part II also presents the 2001 CEDS short and long-term priority projects. Classification as a project priority signifies that a project is sufficiently important to justify public investment using City, County, State or Federal resources. Also included in Part II is a summary of progress that has been made on the strategies set forth in the 1997 Newark OEDP and the 1999 Newark CEDS.



Challenges to Economic Development in Newark

Focus groups representing the City's major economic sectors reviewed and updated challenges to economic development in Newark that the public and private sector must address if the City is to continue along the road to complete economic recovery and prosperity. Some challenges impact business expansion and job growth across all sectors; others are unique to individual economic sectors and industries. This section of the Newark CEDS delineates the general and industry-specific challenges to economic development in Newark. The following sections of Part II set forth the objectives, strategies and projects that address these challenges.



CHALLENGES IDENTIFIED ACROSS ALL SECTORS AND INDUSTRIES

Representatives of focus groups participating in the CEDS and OEDP planning process identified the following challenges to economic development in the City (see Appendix A for identification of participants in the focus group process):

- insufficient reporting in the media of the changing Newark;
- inadequate bus and train links within the City;
- inadequate on-street parking;
- the poor quality of the City's public schools;
- the limited availability of adequate housing in Newark; and
- the mismatch between the skills needed by Newark employers and the skill levels of many Newark residents.

Industry-specific challenges that were identified by each focus group include:

Hospitality and Entertainment. Representatives of the hospitality and entertainment industries perceived that growth in these industries is uncoordinated and that an entity ought to be created that will be responsible for planning and guiding the integration of their growth into the economic and social fabric of the City. They also felt that tax codes that do not take the non-profit status of an organization into account in cases of building restoration present a challenge to the future development of the City as does the lack of marketing of Newark events, particularly in neighborhoods. They also expressed concern that too few of Newark's residents are included in most of the current arts and cultural activities.

Information Technology and Related Industries. More IT-ready buildings have to be made available in Newark and a collaborative effort should be undertaken for businesses to work with the City to meet their infrastructure needs. The "digital divide" has to be addressed so that the entire City becomes involved in the IT revolution, not just large corporations located in the CBD. Local community groups and the City's educational institutions should provide the active leadership needed to encourage involvement of all businesses and residents.

Health Care and Higher Education. Although enrollment at the CHEN institutions has been stable over the last few years and on-campus residency is growing, both commuting students and those living on campus have expressed the need for amenities, especially retail, food-shopping, and entertainment facilities. Focus group members involved in trying to attract technology and communications businesses to Newark stated that a more collaborative and proactive approach between the City and the universities is necessary to market Newark's attractions for high-tech companies, especially those related to Health Care.

Manufacturing. Factors that precipitated the exodus from Newark of thousands of manufacturing jobs are the relatively high costs of doing business in Newark, obsolete buildings and the lack of readily developable land. Many manufacturers faced with the inability to expand because of site restrictions relocated out of the City or opened additional suburban facilities. Delays and excessive costs were reported by manufacturers who consider New Jersey to be over-regulated and "business unfriendly." They also felt State officials are not aggressive enough in streamlining the permit process for industry, and that City officials are similarly unresponsive to their needs.

Retail Trade. Newark's small business community, which is composed primarily of neighborhood retail merchants and service providers, indicated that the retail sector is showing some signs of revival. Most retailers, however, still saw serious challenges to the viability of retail establishments in Newark. Challenges identified by the small business community include:

- lack of enforcement of vending laws;
- inadequate City services;
- lack of access to capital; and
- the need for revaluation of the City's real estate tax base to decrease the tax burden on small businesses.

Transportation. Newark is in a key location. It serves as the transportation hub for the greater metro region, but a number of challenges have to be addressed if the City's global, national and regional transportation accessibility is to be maintained. The sector-specific challenges were identified by focus group members as:

- physical constraints of expanding at the Airport that need to be resolved in five years for growth to continue; and
- a lack of public transit links to the airport.

Strategies for Newark's Economic Revitalization

Newark has historically held the predominant economic position in Northern New Jersey. While its share of the Region's and State's job base has declined over time, the City still houses the greatest concentration of economic activity in New Jersey, with 1.5 times as many private sector jobs as Jersey City, the State's second largest municipal economy. If Newark is to maintain its premier position in the Region and to improve the quality of life for its neighborhoods and residents, it must continue to capitalize on its comparative advantages and minimize constraints to its economic growth and development.



The economic development objectives for the 2001 CEDS are:

Objective 1: To enhance Newark's business climate so that the City maintains its preeminent position in the Region.

Objective 2: To provide a full range of retail business and personal services to meet the changing needs of Newark, with particular focus on its residential neighborhoods.

Objective 3: To enhance Newark's role as the transportation hub for the Region.

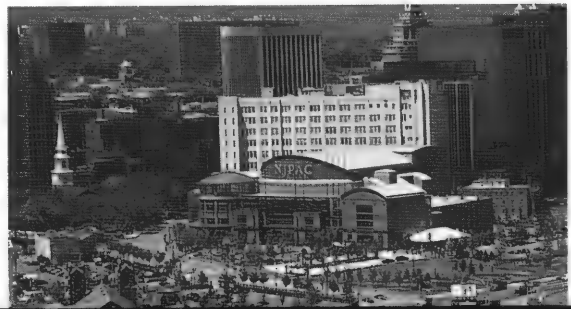
Objective 4: To develop the skills of Newark residents so that they are able to take advantage of emerging job opportunities in the City and Region.

Objective 5: To continue promoting the redevelopment of Newark's central business district (CBD).

Objective 6: To promote the development of Newark's higher education and medical institutions so that they continue to be a focal point for the expansion of academic and research activities, clinical care, new industries and housing opportunities.

Objective 7: To promote the development of Newark's cultural, entertainment, visitor and tourist industries.

Objective 8: To provide a positive environment for manufacturing, distribution and related businesses in Newark.



THE ECONOMIC DEVELOPMENT OBJECTIVES AND STRATEGIES FOR THE 2001 CEDS.

The objectives and strategies formulated for the 1997 Newark Overall Economic Development Program (OEDP) and the 1999 Newark Comprehensive Economic Development Strategy (CEDS) set forth strategies for building on Newark's strengths and addressing its weaknesses. As summarized below, significant progress had been made in implementing most of these strategies. However, there is still much that needs to be done if the City is to maintain its predominant position in the Region and to provide job opportunities for its residents. This section of the 2001 CEDS sets forth objectives and strategies directed at the City's continuing economic development efforts.

OBJECTIVE 1

To enhance Newark's business climate so that the City maintains its preeminent position in the Region.

Strategy 1.1: To continue upgrading the physical environment and the level of services in the City.

Progress-to-date: In 1999, the Newark Municipal Council authorized the establishment of a downtown Special Improvement District (SID) to upgrade the City's central business district (CBD). In 2001, Newark's second Special Improvement District was established in the Ironbound. In addition, the City Administration, using Urban Enterprise Zone (UEZ) funds, has established the Mayor's Initiative for Neighborhood Transformation (MINT) to revitalize Newark's commercial corridors. MINT provides resources for:

- rehabilitating building façades of retail businesses;
- targeted street cleaning;
- upgrading neighborhood services; and
- providing technical assistance to businesses.

Strategy 1.2: To continue making the City a safer place for businesses, residents and visitors and to improve perceptions of safety.

Progress-to-date: The opening of NJPAC and of the Bears Minor League Baseball Stadium in the downtown area has increased the security presence in Newark before, during, and after daytime and evening events at these venues, and has improved the safety perceptions of Newark. Additional security enhancements include those provided by the "safety ambassadors" who have been hired by the downtown SID to maintain pedestrian safety and security in the downtown area. The City has also established an extra police presence in the UEZ area (see Appendix C for Map of UEZ area).

Strategy 1.3: To encourage the active use of the City's redevelopment powers to remove blighting influences and inappropriate or incompatible land uses.

Progress-to-date: A 40 acre site in the CBD has been designated by the City as a "Redevelopment Area" pursuant to State law. Plans are advancing for the development of the site to house a sports arena that will be home to the NJ Nets Basketball Team and the NJ Devils Hockey Team. The City is also assisting in the development of its Airport Support Zone on blighted Brownfields and sites near Newark International Airport to accommodate expansion of the Airport.

Strategy 1.4: To provide new and existing businesses with technical, managerial and financial advisory services.

Progress-to-date: Businesses are being provided with technical and financial assistance by NEDC, the Newark Urban Enterprise Zone (UEZ) staff, and the NJ Urban Coordinating Council (UCC).

Strategy 1.5: To provide training programs and other educational assistance for employees of Newark businesses.

Progress-to-date: The Newark Enterprise Community Resource Development Center (NECRDC), sponsored by the United Way of Essex and West Hudson in partnership with the City, is assisting community-based organizations (CBO's) and providing training and educational programs to residents of the Newark Enterprise Community (see Appendix C for description of Enterprise Community).



Strategy 1.6: To foster comprehensive development at appropriate sites in the City that will integrate housing, business and other uses.

Progress to-date: The non-profit New Newark Foundation has purchased an 8 acre site strategically located on Broad Street in the CBD between the NJPAC and Rutgers University. The Foundation plans to create a 24-hour "village" encompassing housing, retail establishments, restaurants, coffee houses, cabarets, art galleries and small office uses.

Strategy 1.7: To provide adequate dedicated or on-street parking for residents and visitors.

Progress-to-date: Dedicated parking to serve patrons of NJPAC and the Bears Stadium has been provided. Studies are under way to determine how to meet the parking needs of residents, employers/employees of Newark businesses and of tourists and visitors to the City.

Strategy 1.8: To examine the impact of City and State taxes and regulations on businesses in their location and expansion decisions.

Progress-to-date: Strategy to be implemented.

Strategy 1.9: To formulate a joint effort between the City and the media to present a more accurate and positive picture to the public of what is going on in Newark.

Progress-to-date: The City's Office of Public Information is working closely with the media to provide a more positive picture of the City. Several newspapers in the Region, including the *New York Times*, have recently published articles on the rebirth of Newark. During Summer 2000, a consortium comprised of the Newark Alliance, Connection Newark, NEDC, and the City of Newark initiated an image campaign known as "Newark: The Place to Be." This campaign provided for extensive national, regional and local media coverage of Newark's renaissance. The web site, www.gonewark.com, developed over the past few years, complemented this campaign by providing extensive up-to-date information about all aspects of the City. In March 2001, the American Society for Public Administration (ASPA) held its annual conference in Newark—the first large-scale conference held in the City in decades. The Conference and the City of Newark received extensive media coverage.

OBJECTIVE 2

To provide a full range of retail business and personal services to meet the changing needs of Newark, with particular focus on its residential neighborhoods.

Strategy 2.1: To identify and provide areas for commercial redevelopment or revitalization near neighborhood population concentrations, established housing clusters, or new residential redevelopment areas.

Progress-to-date: Newark and the Township of Irvington have jointly received a "Smart Growth" Planning Grant from the State of New Jersey to define retail planning goals for the Springfield Avenue corridor that will support the growing residential population in the adjoining neighborhoods.

Strategy 2.2: To support the coordinated planning of neighborhood shopping centers, balancing the potential market-trade areas with the need to maintain the viability of existing neighborhood retailers.

Progress-to-date: The City Administration and NEDC are negotiating with three center-city developers and store-owner "locators" to create small-to-medium-sized shopping centers at several neighborhood sites. NEDC borrowed \$50,000 from the New Jersey Redevelopment Authority to complete a Redevelopment Plan for the former Pabst Brewery site and the adjacent neighborhood on South Orange Avenue in coordination with the Township of Irvington. The Plan recommended a neighborhood commercial center with surrounding residential uses for the area.

Strategy 2.3: To provide support for social and recreational activities in underserved areas of the City and link them with commercial and service establishments to create clusters of neighborhood economic activity.

Progress-to-date: The Loews Theater on Springfield Avenue and Bergen Street is a not-for-profit project that is one of the first successful efforts in decades to bring entertainment activities to an underserved area of Newark. Planning is under way for several urban parks to be constructed with funding from Greenacres, a Federal program.



Strategy 2.4: To enhance existing programs and establish new and innovative programs to finance and relocate scattered economic activities and uses into the Newark Urban Enterprise Zone, the Newark Enterprise Community, and other City neighborhoods.

Progress-to-date: The Economic Development Task Force of the federally designated Newark Enterprise Community is fostering neighborhood revitalization by leveraging public and private resources through LISC¹ (see Appendix C for description of Enterprise community).

Strategy 2.5: To encourage design and architectural controls in commercial development and redevelopment areas to maintain and enhance the appearance of local shopping areas.

Progress-to-date: Please see Strategy 2.1.

Strategy 2.6: To promote and develop events in Newark neighborhoods (e.g., Branch Brook Park cherry blossom festival) and market neighborhoods in conjunction with the downtown attractions in Newark.

Progress-to-date: The Outdoor Urban Theater (OUT) program, coordinated by NJPAC and local community groups in Summer 2000, was a summer outdoor music and dance festival held in parks throughout Newark's neighborhoods.

Strategy 2.7: To provide additional units of better-quality housing in all of Newark's neighborhoods and to ensure that developers work with community members for resident-focused developments.

Progress-to-date: More than 2,000 housing units have been constructed in Newark's neighborhoods during the last three years. These units include market-rate, for-sale homes, detached and semidetached low-rise public housing units, and mixed-income rental and for-sale homes. Over 500 units of existing vacant housing in Newark have also been rehabilitated since the late 1990's.

¹LISC, the Local Initiatives Support Corporation, is the nation's premier financial intermediary to channel grants, investments, and technical support to community development corporations (CDC's), rebuilding urban neighborhoods and rural areas throughout the US.

OBJECTIVE 3

To enhance Newark's role as the transportation hub for the Region.

Strategy 3.1: To encourage funding and completion of the Newark-Elizabeth Rail Link (NERL), from Broad Street Station to Penn Station Newark, Newark International Airport and downtown Elizabeth.

Progress-to-date: Construction of the first operable segment of NERL from Broad Street south to Penn Station Newark is scheduled to begin in 2001.

Strategy 3.2: To encourage station-area planning and development activity along the NERL alignment.

Progress-to-date: The City of Newark and NEDC are working with NJ Transit to undertake station-area planning at Newark's Central Avenue subway stop at University Heights Service Park and at other stations along Newark's existing subway line and at stops along the first operable segments of NERL.

Strategy 3.3: To collaborate with the Port Authority of New York and New Jersey to encourage growth at Newark International Airport and at the Port of Newark-Elizabeth.

Progress-to-date: NEDC and the Port Authority have instituted several initiatives to encourage business relocation to Newark's Airport Support Zone and to facilitate transportation access to the Airport.

Strategy 3.4: To promote development of sites throughout the City by facilitating their access to transportation facilities.

Progress-to-date: The NJ Department of Transportation is reconstructing and enhancing several portions of Newark's roadways including a new viaduct and interchange connector between Broad Street to Newark International Airport, Routes 1 & 9, 22, I-78, and I-95. The Newark Subway System is also being rehabilitated to provide improved access to the CBD. When completed, NERL will link Newark's business district, government center and other key sites with the Airport and business areas in Elizabeth. The City of Newark has also completed a Land Use, Economic Development and Transportation Plan funded by the NJ Department of Transportation to identify and prioritize future transportation infrastructure investments.

OBJECTIVE 4

To develop the skills of Newark residents so that they are able to take advantage of emerging job opportunities in the City and Region, and to provide transportation accessibility to jobs for residents.

Strategy 4.1: To forge a collaborative effort between the City, its institutions of higher education, the school system, and public and private training programs to ensure that education and training efforts meet the needs of current and potential employers.



Progress-to-date: The takeover of the Newark public school system by the State of New Jersey has resulted in a major restructuring of the system. It is anticipated that this restructuring will lead to the development of an education program that is more in sync with the needs of current and potential employers in and around the City. Newark's four higher education institutions that comprise the Council on Higher Education (CHEN), either individually or jointly, sponsor academic and enrichment programs that serve Newark elementary, middle and high school students (see the Economy section for description of CHEN). The planned Science Park High School (to be located at Science Park) will provide students with skills to meet the needs of high-tech industries in the City and Region.

Strategy 4.2: To work with Newark's educational institutions to set up training programs to prepare residents to meet the needs of employers in the hospitality/tourism industries.

Progress-to-date: Strategy to be implemented.

4



OBJECTIVE 5

To continue promoting the redevelopment of Newark's central business district (CBD).

Strategy 5.1: To encourage district-wide management and promotional programs.

Progress-to-date: The Newark Downtown District began operations in Spring 1999. The District, Newark's first Special Improvement District (SID), is funded through a special assessment on district commercial properties and is governed by a 15-member Board of Trustees that consists of business and property owners within the District and municipal officials. The SID's initiatives include marketing the downtown area and sponsoring activities to improve safety and the area's physical appearance.

Strategy 5.2: To encourage the expansion and retention of financial and related business and governmental activities in the CBD.

Strategy 4.3: To identify ways to target neighborhood residents for training and employment in the City's transportation sector, especially at Newark International Airport and Port Newark-Elizabeth.

Progress-to-date: Several workforce development initiatives have been undertaken to increase the number of Newark residents working at Newark International Airport. The Council for Airport Opportunity (CAO), a collaborative effort between the Port Authority and the Airlines, refers Newark area residents to Newark International Airport employers. CAO, in cooperation with the Mayor's Office of Employment and Training, also sponsored participants in the Summer Youth Employment and Training Program and, utilizing a Job Training and Partnership Act (JTPA) grant, trained 100 Newark residents for customer service positions. The JobsPort Educational Institute at Port Newark-Elizabeth provides on-site training services to companies and their employees based at the Marine Terminals. Since its inception in 1994, JobsPort has run 16 training programs and trained over 200 participants, many of whom are Newark residents.

Strategy 4.4: To use the City's web site to link neighborhoods to information concerning upcoming economic development projects, job availability and training programs.

Progress-to-date: Strategy to be implemented.

Strategy 4.5: To investigate subsidized van pools and community shuttles to meet the commuting needs of Newark residents.

Progress-to-date: Strategy to be implemented.

Strategy 4.6: To form partnerships between various transportation providers, the City, employers and community groups so that job accessibility of residents is facilitated.

Progress-to-date: Strategy to be implemented.

Strategy 4.7: To improve communication to local residents regarding upcoming development/transportation projects to support residential employment.

Progress-to-date: Strategy to be implemented.

Progress-to-date: The Prudential has completed a multi-million dollar renovation of its office space in Newark and has relocated thousands of its employees to Newark. A number of buildings in the downtown area are being rehabilitated and wired to provide space equipped with the latest technology for financial and related businesses.

Strategy 5.3: To encourage access to the CBD by linking its redevelopment to transportation improvements.

Progress-to-date: A number of projects are under way that will improve mass transit access to and within Newark, including the modernization of the City's subway system and improvements to Penn Station. The NJ Department of Transportation is rebuilding the key interchanges and viaducts connecting Routes 21 and 1 & 9 with I-78 and NJ Route 22 as well as widening and re-aligning Route 21 from the Newark International Airport viaduct to the north of Gouverneur Street. The proposed Passaic Riverfront plan, that includes three to four office buildings and a hotel, provides direct pedestrian access to Penn Station Newark.

Strategy 5.4: To encourage the development of housing in the CBD to promote 24-hour residential life in the downtown area.

Progress-to-date: A vacant office building at 9 Clinton Street is being converted into 34 loft apartments while plans advance for two additional CBD residential developments: one at 1180 Raymond Boulevard and the second in what is called Halsey Village, a 17 acre mixed use development of residences, offices and retail establishments (see section on Housing for description).

OBJECTIVE 6

To promote the development of Newark's higher education and medical institutions so that they continue to be a focal point for the expansion of academic and research activities, clinical care, new industries and housing opportunities.

Strategy 6.1: To encourage additional residential development in areas servicing Newark's higher education and health care complex.

Progress-to-date: The New Newark Foundation (NNF) has secured title to a number of landmark buildings along Broad Street, including the former Hahne's Department Store building. When completed, the Foundation's project will provide more than 1,000 residential units in the area that adjoins Rutgers, NJIT, and Essex County College. The recent completion of 75 units of low-to-moderate income housing across the street from UMDNJ, puts the facility in walking distance for many of its Newark employees. The University Heights Science Park, which is currently under construction, will also include a housing component.

Strategy 6.2: To provide sites for light industrial and office space for high-tech and university-based new enterprise development.

Progress-to-date: The University Heights Science Park is building 60,000 square feet of space for the relocation of the International Center for Public Health Research from Manhattan and a second facility for business incubation activities.

Strategy 6.3: To encourage retail establishments and related activities to locate in proximity to the City's higher education and health care complex.

Progress-to-date: Two restaurants, a Pathmark Supermarket and an Eckerd Drugstore have recently opened on Bergen Street across from UMDNJ.

OBJECTIVE 7

To promote the development of Newark's cultural, entertainment, visitor and tourist industries.

Strategy 7.1: To establish a Convention and Visitors Bureau (CVB) to coordinate Newark's cultural, entertainment, tourist and visitor industries.

Progress-to-date: NEDC has conducted interviews with representatives of the cultural, hospitality and entertainment industries who overwhelmingly recommended the establishment of a CVB to coordinate and market tourist and visitor-related activities in the City. The Newark Municipal Council's Tourism Committee is also exploring organizational options and capacities.

Strategy 7.2: To identify uses that are compatible with the New Jersey Performing Arts Center, and encourage their location in appropriate areas.

Progress-to-date: The opening of NJPAC has stimulated interest in restaurant and related uses. Restaurant and catering facilities at the Robert Treat Hotel across the street from the NJPAC have been upgraded.

Strategy 7.3: To provide adequate bus and train links to Newark's historical, cultural and recreational attractions.

Progress-to-date: NJ Transit, using subsidies from several Newark businesses, is providing inexpensive and frequent bus service to the City's cultural and recreational attractions in the downtown area via its "Loop" bus service.

Strategy 7.4: To improve the marketing of Newark's cultural, entertainment and related events.

Progress-to-date: NEDC, working in partnership with the City Administration and a number of non-profit organizations, is formulating a comprehensive marketing and communications program for Newark. The marketing program will involve a multimedia "image" building campaign that will convey information about Newark to potential residents and businesses. A Co-op Marketing Committee, organized by the Newark Downtown District, meets regularly to discuss opportunities. This committee is composed of representatives of organizations in Newark involved with marketing the City and its events.

Strategy 6.4: To promote a collaborative effort between the City and the universities to attract technology and communications businesses to Newark.

Progress-to-date: Discussions are taking place between NEDC, UMDNJ and NJIT to determine how to attract technology and communications businesses to Newark. The City and NEDC are undertaking a feasibility study (funded by the New Jersey Redevelopment Authority) to explore the development of a "Cyberdistrict" which would be located in the downtown area, University Heights and several major retail corridors. Once in place, the Cyberdistrict would provide an infrastructure conducive to the growth of technology-related businesses.



Strategy 7.5: To encourage the construction of the Newark Arena as a way to bring convention and other business travelers to the City.

Progress-to-date: Negotiations are under way with the State of New Jersey and private developers to build a state-of-the-art arena that will house teams from the National Basketball Association and the National Hockey League.

Strategy 7.6: To work with representatives of the hospitality/culture/entertainment industries to increase attendance at Newark's museums, galleries, arts functions, cultural festivals, institutions and libraries, and to link Newark's efforts to State and national tourism efforts.

Progress-to-date: Strategy to be implemented.

Strategy 7.7: To improve signage for Newark's museums, galleries, cultural institutions and libraries.

Progress-to-date: Strategy to be implemented.

Strategy 7.8: To promote Newark as a travel destination.

Progress-to-date: The American Society of Travel Agents (ASTA) toured Newark in Fall 2000, with the Municipal Council's Tourism Committee. Plans are under way to develop a "Newark Visitor's Guide" to highlight Newark's tourist attractions and services.



OBJECTIVE 8

To provide a positive environment for manufacturing, distribution and related businesses in Newark.

Strategy 8.1: To retrofit or rehabilitate obsolete or antiquated multi-floor buildings.

Progress-to-date: To meet existing and anticipated demand, private investors continue to retrofit obsolete multi-floor industrial buildings for tenants who need smaller spaces.

Strategy 8.2: To facilitate the assembly of large land parcels through acquisition, clearance, and redevelopment, in response to the needs of prospective owners and tenants.

Progress-to-date: The City of Newark, in cooperation with NEDC, completed the construction of a 100,000 square-foot building for light industrial uses on 7 acres of City-owned land in the South Ward. Part of the financing for the facility, known as the South Ward Industrial Park, was provided by the United States Economic Development Administration (EDA). Also, please see Airport Support Zone in Strategy 2.3.



8

Strategy 8.3: To reserve areas of the City suited for industrial development primarily near Port Newark and Newark International Airport.

Progress-to-date: Extensive survey and planning activity is in progress in areas around Port Newark and Newark International Airport to identify and stimulate assembly of large industrial development sites.

Strategy 8.4: To extend or rebuild roads, sewers, and other supporting infrastructure to enhance industrial site marketability or to respond to specific market requirements.

Progress-to-date: The City is spending \$40 million on a sewer rehabilitation program to reduce infiltration in its more than 100-year-old combined storm/sanitary sewer collection system.

Strategy 8.5: To identify sources of financial and technical assistance to plan and develop industrial parks and university-centered science parks.

Progress-to-date: Financing has been secured from the NJ Economic Development Authority (NJEDA) for the University Heights Science Park. Negotiations are also in progress with State and Federal agencies to develop Newark's Airport Support Zone.

Strategy 8.6: To make the City more aware of, and responsive to, the needs of manufacturers.

Progress-to-date: NEDC refers local manufacturers to the New Jersey Institute of Technology (NJIT) Manufacturing Extension Program (NJMEP). NJMEP is a not-for-profit organization charged with assisting New Jersey's small and medium-sized manufacturers to become more productive, profitable, and globally competitive. Field agents provide manufacturers with access to public and private sector technical and business resources in New Jersey.

2001 CEDS Priority Projects

This section of the Newark CEDS presents the short-term (up to 3 years) and long-term (3–10 years) priority projects that will help operationalize the strategies set forth in the previous section of the report.



1: COMMERCIAL/OFFICE PROJECTS

1A: Passaic Riverfront Redevelopment Area: Office/Hotel/Redevelopment sites

The Passaic Riverfront Master Plan Area encompasses the entire Riverfront from the Belleville border to the Newark Bay. The Plan will be implemented in three phases: Phase I: in Newark's central business district (CBD) on the 15 acres located between Center Street, Penn Station, the Jackson Street Bridge and bounded by Raymond Boulevard and McCarter Highway (Route 21); Phase II: in the Ironbound from Jackson Street Bridge to Newark Bay; and Phase III: in the area from Center Street north to Bridge Street.

The first phase of the Passaic Riverfront Master Plan includes four building sites on 15 acres, with a new Riverfront address, opening to a sidewalk, a street and a Riverfront promenade. The sites will accommodate office, hotel and restaurant development and will connect to the existing Legal Center Plaza, with pedestrian access to and from Gateway Center, Penn Station and the NJPAC.

- **The Legal Center II Office Site.** This site, adjacent to the Newark Legal and Communications Center, is fully approved for construction of a 725,000-square-foot office building that will include four levels of on-site parking for 400 cars. It will be integrated with the existing Newark Legal Center and its pedestrian plaza and bridge connection to Newark Penn Station (with bus and rail connections) and the Gateway Complex.
- **Riverfront I and II Sites.** Two buildings will accommodate up to 700,000 square feet of commercial office, retail, residential or other uses.
- **The U.S. General Services Administration (GSA) Site.** The U.S. Government is constructing a new office building of 240,000 square feet to house the FBI. Completion is planned for 2002.
- **Riverfront Park/Pedestrian Walkway.** The Passaic River waterfront will be restored for pedestrian use from Bridge Street east to Brill Street in the Ironbound neighborhood. With a \$75 million Congressional authorization and annual appropriations of \$10 million, the U.S. Army Corps of Engineers is beginning to restore bulkheads and stream banks and will construct a pedestrian walkway along the waterfront street and the Joseph G. Minish Historic Area near NJPAC.

1B: CBD Office Development and Related Projects

- **Two Newark Center.** A 578,000 square-foot multi-use office tower is being developed by the Bellemead Development Corporation, a subsidiary of the Chubb Investor Group. All approvals are in place for this building, which will complement the adjacent One Newark Center, home of the Seton Hall Law School. The building will have access to One Newark Center's 1,400-car parking garage and will be located on Raymond Boulevard between McCarter Highway and Mulberry Street. The start of construction is pending tenant commitment.
- **Gateway V and VI Office Sites.** Gateway V has been approved for site plans and will house a 725,000-square-foot building. Gateway VI has been approved for site plans, and will consist of between 500,000 and 700,000 square feet of office space. Construction is subject to tenant demand and availability. The building sites are located on land owned by the Newark Housing Authority that has been committed to the Prudential Insurance Company of America.
- **1180 Raymond Boulevard.** The City of Newark and NEDC are working with new owners to redevelop 1180 Raymond Boulevard as 900 units of graduate student housing.
- **Central Business District Structured Parking.** The rehabilitation of older office buildings, the construction of new office buildings and retail establishments, and the realization of the proposed Arena and New Newark Foundation's Halsey Village will all require additional parking facilities. The City is seeking to acquire land and to make available up to 8,200 new parking spaces.
- **NJPAC Office Development Sites.** The NJPAC seeks to attract commercial, residential and retail development to three high profile sites.
- **Office sites in the Arena area.** It is anticipated that nearly one million square feet of new office, retail and residential uses will compliment the proposed Newark Arena.
- **Westinghouse Site.** This former industrial building, located adjacent to Newark Broad Street Station, will be redeveloped by a private development team. Anticipated re-uses are residential, retail and office.

2: COMMERCIAL/RETAIL PROJECTS

- **The New Newark Foundation.** The New Newark Foundation (NNF) has taken title to a number of landmark buildings and vacant land between Broad Street and Halsey Street between Central Avenue and Cedar Street to develop a retail, entertainment and residential complex across Military Park from the NJPAC. The City of Newark Department of Economic and Housing Development has been working on the formulation of a redevelopment plan for the site.
- **Newark Towne Center.** The New Community Corporation, in partnership with the City of Newark and Metropolitan Baptist Church, will redevelop a 13-acre shopping center site adjacent to Society Hill, a 900+ unit middle and lower income townhouse development in Newark's Central Ward.
- **The MINT Corridor Improvement Program.** The Mayor's Initiative for Neighborhood Transformation (MINT) is providing resources for rehabilitating the building façades of retail businesses along five targeted neighborhood retail corridors. Initial projects are beginning along sections of Bergen Street and South Orange Avenue.
- **Former Pabst Brewery Site.** Efforts are under way to redevelop an abandoned brewery on 8 acres located in the NJ Urban Coordinating Council target areas of Newark and the Township of Irvington at the intersection of South Orange Avenue and Grove Street. State and Federal funds may be required to offset the cost of demolition, environmental remediation and public improvements.
- **Springfield/Bergen Commercial Site Acquisition.** New residential development along Springfield Avenue could support revitalized commercial and retail uses along the south side of Springfield Avenue from Bergen Street to Eighteenth Avenue. Up to 14 acres of vacant land, mostly owned by the City of Newark, should be assembled to form a larger site that would be marketable to a developer. New Jersey Urban Site Acquisition Fund dollars are needed to acquire the remaining private properties.
- **Springfield Avenue Associated Site.** The City of Newark and local community-based organizations are collaborating to restore and possibly expand this 2.5 acre vacant neighborhood shopping center.
- **Lower Broadway Retail Development and Public Parking.** La Casa de Don Pedro is working to revitalize the Lower Broadway corridor by developing a new retail hub. It is expected that this hub will be anchored by a full-scale supermarket to serve the surrounding neighborhoods in the North Ward.

3: INDUSTRIAL PROJECTS

- **South Ward Industrial Park II and III (SWIP II and III).** Building upon successful completion of 100,000 square feet of light industrial space on 7 acres of vacated residential and commercial land, the City of Newark, in partnership with NEDC, is planning to expand the SWIP, adding approximately 90,000 square feet of industrial/warehouse space, divided into two buildings.
- **Bayonne Barrel and Drum Redevelopment Site.** NEDC is working with the City, NJDEP, and USEPA to remediate the environmental conditions and to increase the development potential of this 14.7-acre, City-owned property. Remediation has been partially completed and the City is considering several proposals to lease or sell the site.
- **DuPont Site (Pitt Consol).** NEDC is working with various parties interested in acquiring and remediating this 37-acre site for redevelopment. Significant progress has already been made toward remediation and redevelopment. DuPont filed an application with the New Jersey Department of Environmental Protection to enter the New Jersey Voluntary Cleanup Program. This sets the stage for accelerated remediation and redevelopment planning.
- **Airport Support Zone.** Plans are under way to acquire, clear and redevelop portions of a 75-acre Frelinghuysen Avenue industrial corridor from Haynes Avenue to McClellan Street to provide space for airport-related facilities not essential for "airside" operations. Federal and State resources will be required for site assembly, planning, environmental remediation and public improvements. Efforts include the relocation of incompatible uses and redevelopment of Brownfields sites.

4: HIGHER EDUCATION/ HIGH-TECHNOLOGY BUSINESS DEVELOPMENT PROJECTS

- **University Heights Science Park (UHSP).** UHSP is developing a 50-acre, \$350 million science and technology park adjacent to higher education institutions in the Central Ward. The project includes up to one million square feet of technology-commercial space, two blocks of housing and an 800-student Science Park High School to be constructed in collaboration with the Newark Board of Education. Currently under development is the \$78 million International Center for Public Health Research (ICPHR).
- **Enterprise Development Center III.** This facility will be an expansion of an existing business incubator facility at NJIT. It is designed to serve as an incubator for high-tech businesses.

5: HOSPITALITY/ENTERTAINMENT PROJECTS

- **Newark Sports and Entertainment Village.** The City of Newark and NEDC are currently working with Newark Sports and Entertainment, LLC, a private developer, to redevelop 40 acres in downtown Newark. The Newark Sports and Entertainment Village will be the home of a state-of-the-art NBA and NHA caliber arena, and will contain up to 2.7 million square feet of mixed-use commercial, retail and residential establishments that include a hotel, a television studio and an array of restaurants and office buildings. A proposed redevelopment plan also includes the revitalization of several blocks in a nearby neighborhood. Significant Federal, State and County financial participation could leverage up to \$1 billion of private investment over the next ten years.
- **Airport Hotel Development on Routes 1 & 9.** Two new hotels to serve Newark and the Newark International Airport will be developed on 8 acres of land on NJ Routes 1 & 9, north of the existing Marriott Courtyard Hotel. Land was purchased from the NJ Department of Transportation for the purpose of marketing to hotel developers committed to complete this project.
- **Motion Picture and TV Production Facility.** Efforts are in progress to develop a motion picture and TV production center to complement Newark Symphony Hall.
- **Waverly Yards Hotels and Conference Center.** The City of Newark and NEDC continue to work with Hartz Mountain Industries to establish feasibility and to gain approval for a mixed-use office and hotel project to take advantage of Waverly Yards' proximity to Newark International Airport and the proposed Airport Railroad Station.
- **CBD Hotel Development.** In addition to Passaic Riverfront and Arena hotel sites, the former location of the Rutgers University Law School on Washington Park is qualifying for historic status and conversion to a 276-room hotel.

6: TRANSPORTATION PROJECTS

- **Continental Airlines Expansion.** Continental Airlines, Newark's largest employer, has proposed an expansion of its facilities at and around Newark International Airport. The expansion includes the construction of a new wing at Terminal C, parking facilities, and cargo spaces. The City of Newark and NEDC are working with Continental to identify and obtain public-sector incentives from various levels of government. Newark economic redevelopment officials are working with Continental Airlines to attract their training, flight kitchens and offices to Newark sites.
- **Airport Railroad Station.** New Jersey Transit is using \$300 million in revenue from passenger facility charges to construct a new Airport Railroad Station at Waverly Yards. This station will connect the terminals and parking lots of the Newark International Airport (via the Airport monorail) to the northeast corridor train line, serviced by Amtrak and New Jersey Transit trains. The new rail station will also link with the planned Newark Elizabeth Rail Link.
- **Newark Elizabeth Rail Link (first operable segment).** The first operable segment of the Newark Elizabeth Rail Link (NERL) will extend from Penn Station Newark to Newark Broad Street Station, with stops at popular cultural and entertainment destinations such as the NJPAC and the Newark Bears Baseball Stadium. Since NERL will connect both major transportation hubs, it will allow commuters greater ease in transferring between these regional rail lines.
- **Portway.** Plans are under way to create a dedicated truck route linking Port Newark-Elizabeth with major regional transportation corridors. Northern New Jersey has the largest concentration of port, warehouse, trucking, and intermodal terminals on the East Coast. The Port Authority is leading this effort. The North Jersey Transportation Planning Authority is informing this process via regional planning and analysis of the intermodal transportation system.
- **Penn Station Platform Extension.** This improvement will enable the connection of the pedestrian walkway to the new downtown sports and entertainment complex on the opposite side of Route 21. With this extension, an old, abandoned railroad bridge and right-of-way will be transformed into a pedestrian corridor linking passengers to a recently planned intermodal transportation facility that will be adjacent to the new sports complex.

7: SPECIAL PROJECTS, PLANNING PROJECTS, PROGRAM DEVELOPMENT PROJECTS

- **Newark School Construction Program.** \$1.6 billion in school construction funds has been approved for Newark by the State for construction of 43 schools, 18 of which will be new (8 elementary, 7 elementary/middle and 3 high schools). Twenty-five buildings will be demolished with new facilities built on the same sites. Additions will be made to 29 other Newark public schools.
- **Newark Housing Construction Program.** The City of Newark is working with private and non-profit developers to construct over 2,000 new units of market-rate, or low-moderate income housing units. The Newark Housing Authority is also constructing over 1,700 new units of public housing.
- **Public Parking.** The City is studying the feasibility of developing new parking facilities throughout Newark's downtown and neighborhood commercial districts.
- **Workforce Preparation.** Through the newly established Workforce Investment Board, public and private workforce needs are being matched and allocated.
- **Special Improvement Districts.** Two special improvement districts (SIDs) have already been formed in Newark: the Downtown SID and the Ironbound SID. Several other SIDs are planned for the City. Areas under consideration for a SID include the two initial MINT Corridor target areas on Bergen Street and South Orange Avenue. Once formed, a SID creates a long-term, public-private association to manage the quality of life, transportation, security, and visual improvements within the district.
- **Newark Business Loan Program.** NEDC has developed a small business loan program with the New Jersey Economic Development Authority (NJEDA). The fund is capitalized by a combination of NJ Urban Enterprise Zone funds and the Newark Enterprise Community loan fund. In addition, NEDC has entered into a Memorandum of Agreement with NJEDA. The Authority will provide first mortgage or first position financing and NEDC/the City of Newark will take the second position, using UEZ and Enterprise Community funds for partial capitalization.
- **CEDS Management & Marketing.** Newark's CEDS (formerly the Newark OEDP) is updated annually. In the year 2001, the City of Newark, working in cooperation with NEDC, will continue to refine and update the City's Economic Development Program, to reflect changing economic conditions in the City.
- **Completion of City's Master Plan.** The City is completing a comprehensive re-examination and update of Newark's Master Plan. Completion is planned for 2001.
- **Planning Studies.** Several Planning studies are being conducted with community residents throughout the City to assist in setting development priorities. See Appendix D for further information.

**LONG-TERM PRIORITY PROJECTS
(3–10 YEARS)**

1. Transportation

- **Newark-Elizabeth Rail Link (2nd and 3rd operable segments).** When completed, the Newark-Elizabeth Rail Link (NERL) will link Newark's business district, government center, and other key economic development areas with Newark International Airport and areas in Elizabeth. The first operable segment will create rail linkage between the Morris and Essex Line of New Jersey Transit (east-west) with the north-south Northeast Corridor and New Jersey Coast lines. The second and third segments will extend from downtown Newark to Newark International Airport and Elizabeth.

2. Projects along the Passaic River Corridor

- Construction of an esplanade over Route 21 from NJPAC to Minish Park.
- Passaic River dredging from the boat slip at Center Street to Penn Station Newark/Amtrak Bridge.
- Movement of the combined Sewer Abatement Program from the design to construction phase to avoid penalties and fines.
- Painting and lighting of the Amtrak Bridge over the Passaic River.

3. Projects in Newark's Central Business District

- Widening of First Street from Sussex Avenue to West Market Street.
- Traffic signal system improvements to replace computer components and device controllers.
- Maintenance of signage on all major approaches to Newark to include existing and planned developments such as the arena for the New Jersey Nets and the New Jersey Devils.
- Redevelopment of major abandoned sites in Newark's downtown area for housing uses.

4. Water and Sewer System Improvements

- Cleaning and reconstruction of the Queens/Peddie Ditches that provide storm-water drainage for large sections of the East and South Wards.
- Installation of an ozone disinfection process at the Pequannock Water Treatment Plant, a vital component of the City's water supply system.

5. Redevelopment of Unused, Abandoned or Underutilized Industrial, Retail and Commercial Brownfields Properties.

- Assess, inventory, remediate and redevelop City-owned Brownfield sites in Newark.

6. Other Programs and Projects

- Expansion of the City's Geographic Information System (GIS).
- Improvements to I-280 from First Street to the Stickle Bridge.
- Design and construction of greenways and parks in Newark's neighborhoods.



Short-term Project:

- | | | | |
|----|--|----|---|
| 1A | Passaic Riverfront Redevelopment Area | 5B | Airport Hotel Development |
| 1B | CBD Office Development | 5C | Waverly Yards Hotels and Conference Center |
| 2A | New Newark Foundation – Halsey Village | 6A | Continental Airlines Expansion |
| 2B | Newark Towne Center | 6B | Airport Railroad Station |
| 2C | Pabst Brewery Redevelopment Area | 6C | Newark-Elizabeth Rail Link (First Operable Segment) |
| 2D | Springfield Bergen Retail Site | 6D | Portway |
| 2E | Springfield Avenue Associated Site | 7A | Newark Downtown Special Improvement District |
| 3A | South Ward Industrial Park II & III | 7B | Ironbound Special Improvement District |
| 3B | Brownfields Redevelopment Sites | | |
| 3C | Airport Support Zone | | |
| 4A | University Heights Science Park | | |
| 4B | Enterprise Development Center III | | |
| 5A | Newark Sports & Entertainment Village | | |

Appendices

Appendix A:

The CEDS Management and Planning Process

Appendix B:

Investments in Newark

Appendix C:

The Newark Urban Enterprise Zone and the
Newark Federal Enterprise Community

Appendix D:

Planning and Redevelopment Studies
In the City of Newark



APPENDIX A: THE CEDS MANAGEMENT AND PLANNING PROCESS

The CEDS 2001 Planning Process continued the focus group approach used in preparation of the 1997 Newark OEDP and the 1999 Newark CEDS. In 1997 and 1999, the Newark Economic Development Corporation (NEDC) and the Newark Division of Economic Development held focus group meetings with more than 100 representatives of eight "sectors" of the City's economy:

- Workforce and Neighborhood Development
- Manufacturing
- Health Care and Higher Education
- Technology and Communications
- Finance, Insurance, Real Estate and Business Services
- Small Business
- Transportation
- Arts, Culture, Hospitality, Entertainment and Recreation

Each group identified general and sector-specific strengths and challenges to economic development in Newark and suggested strategies to capitalize on the City's strengths and address challenges to its continued economic recovery.

The 2001 planning process included general meetings and in-person interviews with members of two of the focus groups identified as major drivers of the City's economic recovery: (1) Arts, Culture, Hospitality and Tourism; and (2) Information Technology and related industries. Representatives from Newark's neighborhood groups participated in both focus groups. In the 2001 CEDS planning process, focus group members from these two sectors identified strengths and challenges to economic development in Newark and suggested strategies to minimize the challenges and to capitalize on the City's strengths. Their recommendations are included in the objectives and strategies section of this document. Members of the 2001 CEDS focus groups were:

Arts, Culture, Hospitality and Tourism

Mr. Adam Giuliano, Amelior Foundation
 Mr. Wesley Jenkins, Babyland
 Mr. Vern Reo, Business News NJ
 Mr. Tom O'Rourke, CIT Group
 Ms. Gayle Chaneyfield-Jenkins, City of Newark, Councilmember-at-Large
 Ms. Bessie Walker, City of Newark, Councilmember-at-Large
 Mr. Joaquin Matias, City of Newark
 Mr. Anthony Clark, City of Newark
 Ms. Bernadette Scott, Gateway Institute
 Ms. Rhonda S. Cooper, Gethsemane Baptist Church
 Mr. Michael Saltzman, The Hillier Group
 Ms. Gwendolyn Rippey, Horizon Mercy
 Mr. Joseph Della Fave, Ironbound Community Corp.
 Mr. Raymond Ocasio, La Casa de Don Pedro
 Mr. Matthew Smith, Lincoln Park/Coast Cultural District
 Ms. Michele Delisforth, Local Initiatives Support Corporation
 Ms. Marcia Brown, Lucent Technologies
 Mr. Steve Pearlman, McCarter & English
 Ms. Mary Rigby Abernathy, New Community Corporation
 Mr. Linwood Oglesby, Newark Arts Council
 Ms. Kenya Travitt, Newark Arts Council
 Mr. Rick Cerone, Newark Bears
 Ms. SanDonna Bryant, Newark Community Development Network
 Ms. Hilary F. Michel, Newark Downtown District
 Ms. Cynthia Nelson, The Newark Museum
 Mr. Jeff Friedman, New Jersey News
 Ms. Patricia Goodrich, NJ Nets Foundation
 Mr. Larry Tamburri, NJ Symphony Orchestra
 Mr. Joseph F. Falbo, Parsons Brinckerhoff Quade & Douglas, Inc
 Mr. William Redl, Parsons Brinckerhoff Quade & Douglas, Inc
 Ms. Gail Davis, PSE&G
 Mr. Bill Mitchell, PSE&G Energy Technologies
 Mr. George Kelling, Rutgers University
 Mr. Ollyn J. Lettman, Tri-City People's Corporation
 Mr. Mike Wagers, Rutgers University
 Ms. Patricia Anthony, United Vailsburg Services Organization
 Ms. Lisa Block, Urban Affairs

Information Technology and Related Industries

Mr. Maurice Brown, Bell Atlantic/Verizon
Mr. Michael Taylor, BiznessWare, LLC
Mr. Joseph Fox, City of Newark
Department of Engineering
Mr. Henry Johnson, City News
Mr. Michael Saltzman, The Hillier Group
Mr. Lawton Chiles, Hope Worldwide
Dr. Gwendolyn Rippey, Horizon Mercy
Mr. Joe Della Fave, Ironbound Community Corp.
Mr. Chris Hradil, IndigoB2B
Mr. Michael Mayers, Lucent Technologies
Ms. Marcia Brown, Lucent Technologies
Mr. Anthony Caldwell, Lucent Technologies
Mr. Lloyd Dowdell, The Millennium Project
Mr. Christian Benedetto, National Redevelopment, LLC
Ms. SanDonna Bryant,
Newark Community Development Network
Mr. Chris Castano, Newark Downtown District
Mr. Charles Cummings, Newark Public Library
Mr. Luis Hernandez, Newark Public Library
Dr. John Tesoriero, New Jersey Commission
on Science and Technology
Ms. Gale Tenen Spak,
New Jersey Institute of Technology
Mr. David Ullman,
New Jersey Institute of Technology
Mr. David Scheck,
New Jersey Redevelopment Authority
Mr. William Redl,
Parsons Brinckerhoff Quade & Douglas, Inc.
Ms. Gail Davis, PSE&G
Ms. Barbara Kaufman, Regional Business Partnership
Mr. George Laskaris, Rutgers University - Newark
Ms. Kathleen Vita, Riscala Design
Mr. David Roberts, Schoor Depalma
Ms. Martha Bahamon,
United Way of Essex and West Hudson
Mr. Walter Bogan, University Heights Science Park
Ms. Jeannette Brummel,
University Heights Science Park
Dr. Bill Stephenson, UMDNJ
Mr. Wilbur McNeil, Weequahic Park Association
Mr. Emanuel Hall, Weequahic Park Association
Ms. Ursula Brylinsky, The Workstation, Inc.
Mr. Paul Gallis, York Hunter

PROJECTS COMPLETED, UNDER CONSTRUCTION AND PROJECTED, 1990-2010

Project Title	Estimated Value of Investment
Project Completed	
MBNA Credit Card Service Center	\$12,000,000
New Private Housing Units Developed (1994)	81,000,000
New Private Housing Units Developed (1996)	14,920,000
New Private Housing Units Developed (1998)	7,800,000
Public Housing – HOPE VI (101 units)	11,000,000
Newark International Airport Automated People Mover	500,000,000
Newark International Airport International Arrivals Terminal	100,000,000
Sony Theater	4,000,000
All Jersey Multiplex Movie Theater	6,000,000
Branch Brook Park Roller Rink	3,200,000
Newark Museum Rehabilitation & Expansion	23,000,000
St. Michael's Center	125,000,000
UMDNJ Doctors Office Center	30,000,000
Shopping Centers/Strip Malls (since 1985)	75,000,000
New Office Development	450,000,000
Martin Luther King Jr. Federal Courthouse	50,000,000
New Jersey Historical Society Renovation of Essex Club	5,000,000
Roman Catholic Archdiocesan Center	15,000,000
Catholic Center (former Crippled Children's Hospital)	2,000,000
Catholic Community Services at 10 Commerce Court	18,000,000
University Heights Science Park, Incubator I and II	22,000,000
Newark Housing Authority New Construction (949 units)	95,000,000
City of Newark Traffic Signal Center	5,000,000
Penn Station Upgrade	10,000,000
New Jersey Performing Arts Center	180,000,000
Essex County College Tech Center & Student Center	10,600,000
Rutgers Law School	30,000,000
Renovation of 33 Washington Street Office Building	6,000,000
Renovation of Prudential Insurance Office Building	49,000,000
Newark International Airport Monorail Extension	250,000,000
Minor League Baseball Stadium	20,000,000
South Ward Industrial Park	9,000,000
Subtotal	\$2,219,520,000

Appendix B: Investments In Newark

Under Construction

New FBI Headquarters Building	\$50,000,000
Market Rate Housing	90,000,000
Public Housing — HOPE VI (240 units)	25,000,000
Fairfield Inn Marriott Hotel	17,000,000
Continental Airlines Airport Expansion	750,000,000
Port Authority Airport Improvements	250,000,000
New Jersey Institute of Technology (NJIT) Capital Projects	48,000,000
University Heights Science Park	60,000,000
Renovation of 744 Broad Street Office Building	30,000,000
Renovation of Hahne's Department Store Building	4,000,000
Renovation of Macy's Building	5,000,000
Airport Railroad Station	250,000,000
Sewer Improvements	70,000,000
US Army Corp of Engineers Riverfront Restoration	75,000,000
Newark Elizabeth Rail Link	750,000,000
Newark International Airport Automated People Mover Extension	250,000,000
Newark International Airport Runway Lengthening	90,000,000
NJDOT Route 21 Improvements (Green Street to Passaic Street)	57,000,000
NJDOT Route 21 Viaduct Reconstruction	200,000,000
University Heights Science Park-International Center for Public Health	78,000,000
Newark Housing Authority, 1998–1999 (300 units)	32,000,000
Subtotal	\$ 3,181,000,000

Projected

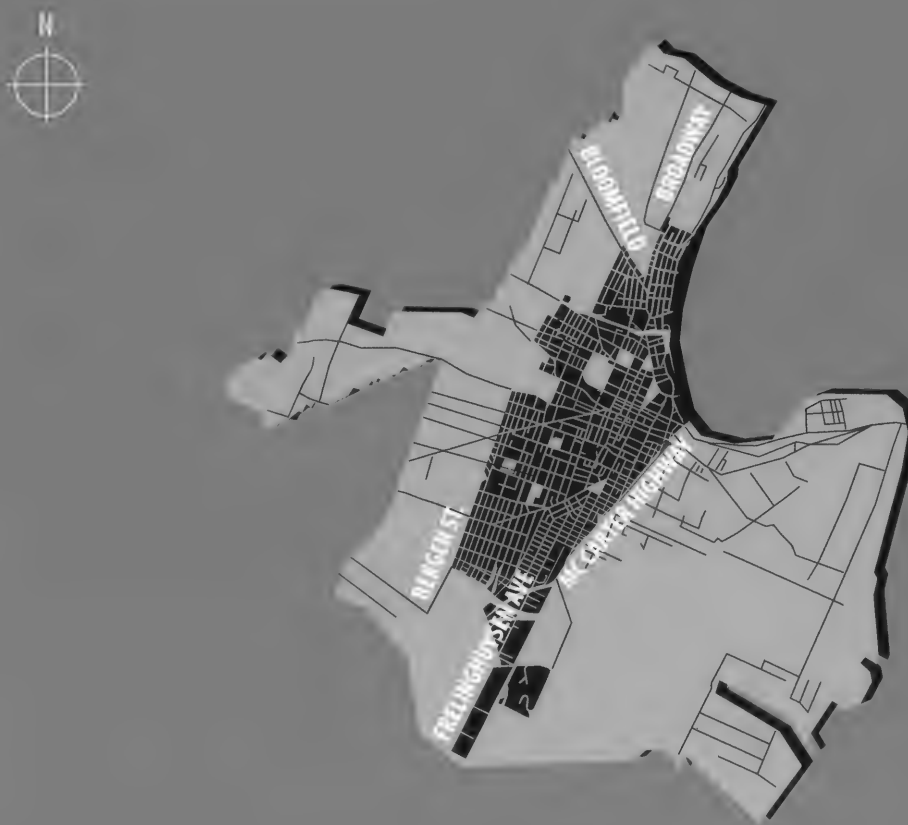
Halsey Village-New Newark Foundation	\$175,000,000
1180 Raymond Blvd. Residential Conversion (700 units)	10,000,000
9 Clinton Street Residential Conversion (69 units)	6,900,000
Marriott Courtyard Hotel (Historic Renovation Rutgers Law School)	57,000,000
South Ward Industrial Park II	5,000,000
South Ward Industrial Park III	5,000,000
K-Mart Shopping Center	16,000,000
Home Depot Shopping Center	19,000,000
Newark Arena	300,000,000
Nutria Alley Restoration	400,000
Jackson Dowling Parking Garage Ironbound	5,000,000
Newark Symphony Hall Restoration	5,000,000
MINT Corridor Retail Rehabilitation Project I and II	2,000,000
New Commercial Office Development Downtown	600,000,000
Airport Support Zone Commercial, Retail and Parking	100,000,000
Structured Parking (10,000 spaces)	120,000,000
Penn Station Newark Platform Extension & Escalators	75,000,000
Rutgers Conference Center and Parking Garage	30,000,000
Marriott Spring Hill Suites (300 Rooms)	36,000,000
Convention Center and Headquarter Hotel	200,000,000
NJDOT Broad Street Road Improvements	3,000,000
NJDOT Market Street Road Improvements	3,000,000
New Office Development	300,000,000
University Heights Science Park Village (65 dwelling units)	10,000,000
University Heights Science Park Technology Commercial	150,000,000
University Heights Science Park High School	35,000,000
Newark Housing Authority, 2001–2002 (349 units)	35,000,000
Public Housing — HOPE VI — (75 units + community center)	25,000,000
Newark Public Schools - School Construction Initiative	1,600,000,000
Subtotal	\$3,928,300,000
TOTAL	\$9,328,820,000

THE NEWARK URBAN ENTERPRISE ZONE

The City of Newark was designated as an Urban Enterprise Zone (UEZ) City by the New Jersey Department of Commerce in 1984. The UEZ program, which is now operating in 29 cities in New Jersey, provides tax relief and other benefits to businesses located in the Zone. Benefits are as follows:

- Qualified retailers may charge 50 percent of New Jersey sales tax on "in person" purchases;
- Sales tax exemptions for materials and for tangible personal property for use in the zone;
- A one-time corporation tax credit of \$1,500 for the full-time hiring of residents of a city where a Zone is located who have been unemployed or dependent upon public assistance for at least 90 days, or a Corporation tax credit of \$500 for hiring a resident within the zone, within another zone or within a qualifying municipality;
- Subsidized unemployment insurance costs, for certain new employees;
- An eligible firm may receive an incentive tax credit of 8 percent of investment in the Zone by an approved "in lieu" agreement;
- Possible State regulatory relief by Zone request;
- Priority for financial assistance from New Jersey Local Development Financing Fund (LDFF) and Job Training Program.

Map 17/The Newark Urban Enterprise Zone



THE NEWARK ENTERPRISE COMMUNITY

In 1994, the City of Newark (and a small part of the City of Elizabeth, which is adjacent to Newark) was one of 105 Communities in the US selected to participate in the Federal Empowerment Zone and Enterprise Community (EZ/EC) program. Each Enterprise Community is eligible for new Tax-Exempt Facilities Bonds for certain private business activities. States with designated Enterprise Communities receive approximately \$3 million in Empowerment Zone/Enterprise Community Social Service Block Grant (EZ/EC SSBG) funds to pass through to each designated area for approved activities identified in the Zone strategic plan. Enterprise Communities will receive special consideration in competition for funding under numerous Federal programs. The Federal Government will focus special attention on working cooperatively with designated Enterprise Communities to overcome regulatory impediments, to permit flexible use of existing Federal funds, and to assist these Communities in meeting essential mandates.

Map 18/The Newark Federal Enterprise Community



APPENDIX D: PLANNING AND REDEVELOPMENT STUDIES IN THE CITY OF NEWARK

The following is a list of the various planning and redevelopment efforts that have been undertaken in recent years. This list encompasses specific neighborhood plans, as well as broader plans for the City as a whole. Most of these studies can be obtained from the City of Newark Department of Economic and Housing Development or the Newark Economic Development Corporation.

- Newark Economic Development, Land Use & Transportation Plan, Draft, 2000, Newark Department of Engineering (S)*
- Overall Economic Development Program (OEDP)–1997 (PI)
- Comprehensive Economic Development Strategy (CEDS)–1999 (PI)
- Master Plan Review (1999); Zoning Study (S)
- Newark Public Schools Facilities Master Plan (PI)
- Newark Arena Redevelopment District Plan (PI)
- New Newark Redevelopment Area Halsey Village Master Plan (PI)
- Science Park Conceptual Plan (PI)
- Passaic River Waterfront Master Plan, October 1999 (PI)
- Urban Coordinating Council-West Side Park Analysis (S,PI)
- Springfield Avenue Smart Growth Plan, 2001 (PI)
- Pabst Brewery Redevelopment Study-2000 (PI)
- Broadway/North Ward Planning Area, Las Casa de Don Pedro (PI)
- Newark Brownfields Initiative–EPA Pilot (1996– 1999) (PI and Pr)
- White Chemical–Superfund Redevelopment Initiative– EPA Pilot (2000–2002) (PI)
- Special Improvement District–Downtown and Ironbound (in progress) (Pr)
- Newark Cyberdistrict Planning Study (S)

*S=Study, PI=Planning Document, Pr=Project.

For further information, contact:

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